FINANCIAL TIMES
PUBLISHED IN LONDON AND FRANKFURT
No. 29,258 Saturday February 25 1984 *** 35p

SAVINGS AND INVESTMENTS P8 The end of the tax year is nigh
TRAVEL P11 Renting a rural retreat
FEATURES P10 COMMERCIAL UNION'S LOSSES A decade of U.S. disasters
P17 BBC TV Why Cotton is 'King' again
HOW TO SPEND IT P13 The inside story of duvets
WEEKEND BRIEF P17 BEIRUT Separating fact from fiction

WORLD NEWS

Cabin crew strike costs BA £4m

A snap 24-hour strike by cabin crew yesterday grounded most British Airways flights, costing it about £4m in revenue.

Only 14 of 150 scheduled services left Heathrow, though only one Gatwick flight was cancelled. BA said a few flights today might also be affected.

The crew had rejected a two-year pay deal accepted by other BA staff, worth 4 per cent this year and 5 per cent in 1985. Back Page

Sixteen Britons held

Right-wing Unita guerrillas said they kidnapped 77 foreigners, including 16 Britons, in north-east Angola because they were excluded from a peace deal with South Africa Page 2

Governor would go

A Labour government would not reappoint Bank of England Governor Robin Leigh-Pemberton, because he was a political appointee, Shadow Chancellor Roy Hattersley said. Back Page

Kidnapping arrest

A man will be charged in Birmingham magistrates' court today with kidnapping Indian diplomat Ravindra Mhatre, killed two weeks ago.

Strike follows killing

Spain's Basque country was paralysed by a general strike in protest at the terrorist murder of Socialist Senator Enrique Casas. Page 2

Ceasefire in Beirut

The ceasefire in Beirut arranged by a Saudi mediator seemed to be taking effect, despite occasional shooting. Page 2

U.S. to curb IRA

The U.S. is cracking down on IRA fundraising and will use currency laws to confiscate money collected for arms, Charles Price, U.S. Ambassador to Britain, said.

Germans leave East

West Germany welcomed a sudden increase in the number of East Germans allowed to emigrate to the West—estimated at 100 a day this week.

Detention for murder

Norman Smith, 18, was ordered at Nottingham to be detained during Her Majesty's pleasure after being found guilty of murdering student Susan Renhard in the Derbyshire Peak District last June.

Helicopter crash verdict

A verdict of accidental death was recorded at a Penzance inquest on the 20 victims of last July's Scilly Isles helicopter crash.

'Moronic' Commons

Tory MP Robert Rhodes James sharply criticised the way the House of Commons runs itself, especially the "moronic uproar" during Prime Minister's questions. Page 3

Interferon to go on sale

Interferon made by a genetic engineering process is expected to go on the market as an anti-cancer drug in a year. Page 2

Ova reaction

Students threw eggs at Mrs Thatcher, at Warwick University to open a science park, and at former Trade and Industry Secretary Cecil Parkinson, who had to abandon a speech at the University of Essex.

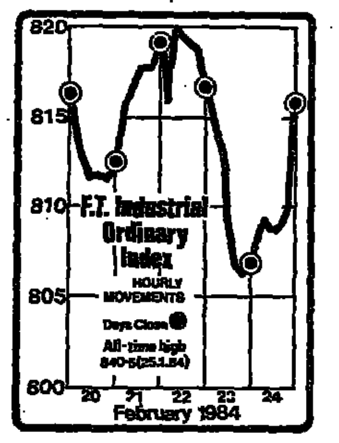
BUSINESS SUMMARY

TI holds talks with Electrolux

TI, the Creda, Glow-worm and Russell Hobbs group, held talks on possible co-operation in the domestic appliance market with Sweden's Electrolux, the refrigerator and vacuum cleaner maker.

Electrolux disclosed that it had built up a 3 per cent stake in TI, but had "no present intention of adding to that holding or making a takeover bid." Back Page

EQUITIES advanced. The FT Industrial Ordinary index opened with a 1.6 gain, but rose swiftly on more favourable



indications from Wall Street to close 8.9 up at the day's best of 815.8, for a fall of 2.1 on the week. Page 24

BRAZIL is to receive $3bn (£2bn) in cash from its commercial bank creditors next month, the first instalment of a $6.5bn "jumbo" credit to help the country continue to service its $90bn foreign debt.

IRELAND: Banks in the Republic have been freed from detailed credit controls for the first time in over five years. The central bank is to fix an overall guideline for private sector credit expansion, but allow for individual variations.

GENERAL MOTORS, the Vauxhall-Opel group, took 19.11 per cent of the new car market in the first 20 days of February against BL's 16.66 per cent, and looks set to retain its leadership for the second month. Page 4

PRINT union the National Graphical Association is likely to hold up as a model new technology deal its agreement with the publishers of London Portrait, the largest free magazine in Europe. Page 4

PENSION FUNDS are to be allowed to deal on the London International Financial Futures Exchange without incurring any liability to income tax or capital gains tax. Page 3

BRITISH STEEL: Partial privatisation of the corporation's engineering steel works may take months, rather than weeks, due to higher-than-anticipated rationalisation costs. Page 3

ALFA LAVAL, Swedish farm equipment and process engineering group, last year increased profits before taxes, extraordinary income and allocation by 27 per cent to SKr 803m (£69.6m). Page 23

ISUZU MOTORS, Japan's second largest truck maker, incurred a consolidated net loss of Y5.13bn (£14.9m) in the year to October 31, against a profit of Y3.64bn. Page 23

GULF, U.S. oil major, has offered to buy back the shares of its dissident shareholder group led by Mesa Petroleum at $70 per share, or a total $1.5bn (£1.02bn), according to Mesa. Page 23

Dollar fall continues to four-month low

BY PHILIP STEPHENS

THE DOLLAR continued to fall on foreign exchange markets yesterday, reaching its lowest level for four months. The decline ended a week which has seen a sharp turnround in confidence towards the U.S. currency.

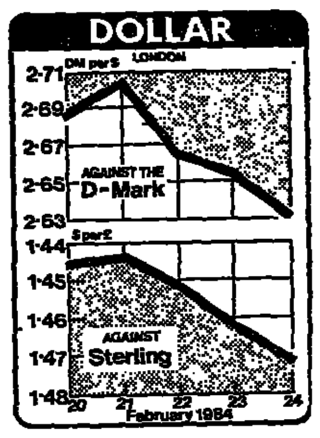
It closed in London at DM 2.6305, over two pfennigs lower on the day and more than five pfennigs down from Monday's close. Bank of England calculations indicated that the dollar's trade weighted index against a basket of currencies fell to 127.5 from 128.0 the previous day and 128.8 on Monday.

Sterling reaped the benefits of the U.S. currency's fall and of sporadic fears that Iran might close the Gulf to oil shipments. The pound closed nearly a cent higher than Thursday and three cents up on the week at $1.4715.

The dollar's fall came despite firm evidence of strong growth in the U.S. economy, prospects of higher U.S. interest rates and further crises in the Middle East.

Instead, the markets focused on the twin dangers posed by the huge U.S. budget and trade deficits, and signs that inflationary pressures in the economy are growing. Dealers reported a fundamental shift in attitude to the dollar.

"There has been a critical change. There is no question that the dollar has broken," said the treasury manager of a leading U.S. bank in London.



The key difference between now and only a few weeks ago, he said, was that holders of dollars had realised they could make money by selling as well as buying the currency.

The foreign exchange manager of one of the main West German banks in Frankfurt said he would still not rule out a temporary rebound in the dollar's value, but he accepted that investor confidence in the currency was ebbing.

Although the U.S. still offered high real interest rates and the potential for profit in equities, these factors had to be weighed against the new danger of possible exchange rate losses.

Dealers were not reporting a large flight of capital from the U.S., but both investing institutions and corporate customers were significantly increasing their cover against losses by selling dollars on the forward markets.

Investors were also diverting new funds in other currencies, with the D-mark the main beneficiary. That currency has now climbed 20 pfennigs since the dollar reached its peak in January, reflecting a renewed burst of confidence

Although sterling advanced strongly against the dollar it remained relatively stable against most European currencies, with the apparent threat to oil supplies from Iran occasionally pushing it higher but then being discounted as unlikely by the markets.

Sterling's trade-weighted index slipped yesterday to 82.6 from 82.7 on Thursday, but was up from 82.3 at the beginning of the week.

● In its monthly statement yesterday, the U.S. Treasury said the Federal budget was in deficit by $5.52bn in January, taking the total deficit for the first four months of fiscal 1984 to $68.84bn. In the comparable period of fiscal 1983 the total was $77.85bn.

Editorial Comment, Page 16; Money Markets, Page 21

Murray backs GCHQ protest

BY BRIAN GROOM AND JOHN LLOYD

THE DELICATE relationship built up between the Government and the unions over the past few months appeared doomed last night as Mr Len Murray, the TUC general secretary, gave his blessing to national sympathetic strike action next Tuesday in protest over the ban on unions at the Government Communications Headquarters in Cheltenham.

Mr Murray, with the authority of the finance and general purposes committee — the TUC's inner cabinet — has written to all TUC affiliates asking them to support the day of protest organised by the Council of Civil Service Unions on Tuesday.

Asked if that meant an endorsement for unlawful action, Mr Murray said it was for unions to call for strikes. But if they did, "that's OK by me," he added.

Union leaders from the right and left of the labour movement united to call their members out in support. They will meet in emergency session of the finance and general purposes committee on Monday, under strong pressure to plan a campaign of disruption in support of the Civil Service unions.

Sir Terence Beckett, director general of the Confederation of British Industries, said that the action was a "throwback to the 1970s . . . the last thing we want at the present stage of recovery from recession is yet another disruption to output."

The CCSU's main policy committee decided yesterday to make up the full take-home pay of any members sacked for refusing to give up trade union rights at GCHQ.

They will seek financial help from the TUC—which is likely to be granted—to meet a bill which could amount to millions of pounds over a period of months.

Mr David Basnett, general secretary of the General, Municipal and Boilermakers' Union, said that the TUC's relationship with the Government was "in tatters" and that withdrawal from some tripartite bodies could be considered.

Mr Bill McCall, CCSU chairman, gave a warning that if anyone was dismissed "we have no doubt there will be intensive industrial action throughout the Civil Service."

Allied Lyons in £40m drinks bid

BY LISA WOOD

ALLIED LYONS, the Babycham, Whiteways and Vine Products group, is seeking to acquire all the spirits, wines and liqueur interests of Booker McConnell, the agricultural and food distribution company whose drinks brands include Lamb's Navy Rum and Tia Maria, in a deal worth about £40m.

Under an agreement announced yesterday, the deal is expected to be completed in two stages.

First Allied Lyons, which also has extensive food interests, is to pay £25.1m for Booker's United Rum Merchants and European Vintners.

United Rum Merchants' Lamb's Navy Rum is the UK market leader. The company has about 38 per cent of the UK dark rum market, and acts as agent for Tia Maria, Britain's fourth most popular liqueur, Remy Martin Cognac, Canadian Club whisky and Grand Marnier.

European Vintners, with about 5 per cent of the UK wine market, ships Italian, German, French and Spanish wines and distributes them in the UK.

The second stage will be the £14.7m purchase of Booker's 51 per cent interests in Tia Maria and Estate Industries, which produces liqueurs in Jamaica.

That deal, Allied said yesterday, is conditional on Hiram Walker, the Canadian energy and distillery group, which had the remaining 49 per cent, not exercising its rights to buy the remainder. Allied is confident Hiram Walker will let the deal proceed.

Booker said it had decided to quit the drinks business as part of its strategy of concentrating on agriculture, food distribution and health products.

It has already largely disinvested from all its major engineering businesses. In 1980 it bought 80 per cent of Ibec, the U.S.-based international poultry breeding and agricultural management business, and in January this year it acquired Bishop's Group, the UK food retailer and wholesaler.

Mr Michael Caine, chairman of Booker said the move freed substantial resources for expanding its main businesses. Funds realised from the sale could be better deployed by Booker in agriculture, food distribution and health products.

The attributable pre-tax profit last year of the companies being sold was £3.3m.

Mr Michael Jackaman, chief executive of Showerings Vine Products and Whiteways, Allied's wine and spirits subsidiary said the sums filled a gap in Allied's portfolio; the company had no representation in the business internationally.

Allied believed there would be growth and strong development in the international markets for dark rums.

The group has no liqueur of its own although it has joint distribution rights to Cointreau with J. R. Philips.

Grand Metropolitan, one of Allied's main competitors, has been a major beneficiary, having developed products such as Bailey's Irish Cream, the market leader in volume terms, and the rum-based Malibu cocktail.

The sales growth such new products created in the late 1970s has slowed, although the growing market, especially among young people, for cocktails has been boosting demand for sweeter liqueurs with a lower alcoholic content.

Allied Lyons' shares closed last night at 146p, down 4p while Booker McConnell's were up 3p at 114p.

Lex, Back Page

French lorrymen unblock roads

By David Housego in Paris and Jonathan Carr in Bonn

FRENCH LORRY-DRIVERS lifted roadblocks throughout the country yesterday, enabling traffic to move freely across France for the first time in eight days.

The unexpected end to the dispute came as about 250,000 holidaymakers prepared to leave ski resorts by car for the weekend return to Paris at the end of half-term school holidays.

In Bonn Sig Bettino Craxi, the Italian Prime Minister, said that Italy would take early steps to ensure that lorries arriving at the frontier were no longer subjected to serious delay.

At a Press conference after talks with Herr Helmut Kohl, the West German Chancellor, Sig Craxi indicated that first measures to speed cross-border transport would be agreed at a Rome Cabinet meeting today.

He gave no details. Italian Customs officials staging a work-to-rule this week have been demanding overtime payment as well as a big increase in their numbers. The new draft Bill is reported to provide for an increase in Customs men, but only to 5,000, far fewer than in Britain, France and even Belgium.

The two main French road-haulage associations called off their action, which was causing increasing disruption to the economy, early yesterday morning after what they described as a conciliatory gesture by M Jacques Delors, Minister of Finance, who has been acting as Prime Minister in the absence of M Pierre Mauroy on an official visit to Austria.

On Thursday night M Delors promised the road transport industry that it would be treated as a "priority and productive" sector of the economy, and that the Government would improve its competitiveness.

He made no concessions of substance on the road haulage associations' demands for cuts in fuel taxes and for more flexible working hours.

Behind the collapse of the strike was the growing weariness of the drivers, many stuck for several nights in blockades in freezing conditions.

The first sign that industry believed that the "great traffic

Continued on Back Page
Man in the News, Back Page

Gilt-edged trading tax fears spread

BY MARGARET HUGHES AND CLIVE WOLMAN

THE INLAND REVENUE decision to subject building societies' profits on trading in gilt-edged stock to corporation tax has aroused widespread fears among other major investment institutions, especially pension funds and life asurance companies, that their tax privileges might also be threatened.

The Building Societies Association will hold a special meeting of its 34-member council three days after the Budget to discuss interest rates in the light of that, and Thursday night's announcement by the Inland Revenue.

Two big societies, Abbey National and the Woolwich, said last night they would seek legal advice on whether they could challenge the Inland Revenue's ruling in the courts.

There were recriminations between societies, with both Abbey National and Leeds Permanent blaming some of their competitors for moving too far from the provision of housing finance in the direction of general financial services and thus prompting the Inland Revenue to tax them in a way more akin to banks.

The Revenue's letter to the Building Societies' Association on Thursday did not give the reasons for the change in policy.

But yesterday it confirmed that it now considered that the building societies' gilt dealings over the last two years constituted trading, and that in future they would be taxed on that basis.

The Revenue emphasised that this assessment applied to all the 200 or so building societies without exception.

The alternative explanation that the building societies, like banks, were being taxed on their gilts as a stock-in-trade, was not correct.

The Revenue confirmed that the principles as to what constituted trading rather than investment would be applied consistently by the Inland Revenue to all investment institutions.

The largest holders of gilt-edged securities are the pension funds and life assurance companies. In 1982-83 they bought £3bn-worth of gilts issued by the Government, 57 per cent of the total, in contrast to the building societies' £900m.

Their sale and purchase of gilts has often been high, and for short periods. Turnover is a crucial factor in determining whether a fund is trading.

In the mid-70s pension funds often turned over their entire gilt portfolios more than twice in a single year. More recently the average figure has been about 50 to 60 per cent, according to figures collated by the stockbrokers Phillips and Drew.

Mr George Dennis, director of securities investment for the Postel pension fund, the Post Office and British Telecom £7bn fund, said yesterday: "We have always watched our turnover very closely and any turnover is only for strategic reasons.

"But many pension funds' turnover is much greater."

Pension funds are normally exempted from all tax on their investment returns. Insurance companies are liable normally to a tax rate of 30 per cent minus inflation adjustment on capital gains.

But both would be liable to the full corporation tax rate on their gilts profits if they were deemed to be trading.

Those unit trusts which invest primarily in gilt-edged securities are also vulnerable to any Inland Revenue decision to tax them as traders. In December, the unit trusts were warned by the Government about the tax consequences of high turnover.

The Inland Revenue said yesterday: "Traditionally building societies held gilts as a long-term investment.

"But in recent years the societies have come to trade more actively in gilts. When this became apparent, the Inland Revenue did what it was required to do, after taking legal advice."

Mr Chris Trench, tax adviser to the Building Societies Association, reacted angrily yesterday.

"It is absolute nonsense to claim that suddenly all building societies without exception have started trading. I'm astonished."

The association sent a letter of protest to Mr Nigel Lawson, the Chancellor, about the decision.

Mr Brian Phillips, finance manager of Nationwide, said it

Continued on Back Page
Building society expansion, Page 8

MARKETS

DOLLAR
New York lunchtime
DM 2.632
FFr 8.11
SwFr 2.175
Y233.22
London:
DM 2.6305 (2.6535)
FFr 8.1025 (8.175)
SwFr 2.177 (2.1865)
Y233.05 (233.35)
Trade weighted 127.5 (128)
Tokyo close 233.55

U.S. LUNCHTIME RATES
Fed Funds 9⅜%
3-month Treasury Bills: 9.16
Long Bond: 99¾
yield: n/a

GOLD
New York: Comex Feb latest $397.5
London: $396.375 ($395.125)

STERLING
New York lunchtime $1.472
London: $1.4715 (1.4625)
DM 3.8725 (3.8825)
SwFr 3.205 (3.2)
FFr 11.92 (11.9525)
Y343.25 (341.5)
Trade weighted 82.6 (82.7)

LONDON MONEY
3-month interbank:
mid rate 9 11/16% (9½)
3-month eligible bills:
buying rate 8 57/64% (same)

STOCK INDICES
FT Ind Ord 815.8 (+8.9)
FT-A All Share 491.3 (+0.3%)
FT-A long gilt yield index:
High coupon 10.28 (10.22)
New York lunchtime:
DJ Ind Av 1,147.51 (+12.88)
Tokyo:
Nikkei Dow 9,962.87 (+23.31)

Chief price changes yesterday, Back Page

CONTENTS

For London market and latest share index, 01-246 8026; overseas markets, 01-246 8086

CONTINENTAL SELLING PRICES: Austria Sch 18; Belgium Fr 38; Denmark Kr 7.25; France Fr 6.00; Germany DM 2.20; Italy L1,100; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 75; Spain Pts 100; Sweden Kr 6.50; Switzerland Fr 2.00; Eire 60p; Malta 60c.

Pravda calls for economic institute shake-up

By Anthony Robinson

THE Central Committee of the Soviet communist party has issued a scathing attack on the country's leading economic research institute and called on Soviet economists to take a more down-to-earth approach to solving economic problems.

Criticism of the work of the Economic Institute of the Soviet Academy of Sciences was carried on the front page of yesterday's Pravda in place of the leading article. It accused the institute of "serious shortcomings" and of failing to encourage industry to introduce new equipment, technology and methods.

The Central Committee added that although the institute had been taking part in the effort "to work out a complex programme of scientific and technological progress" its research activities were not up to scratch. It also complained about the quality of staff, recruitment policies and the level of party control and ideological awareness.

"Serious shortcomings exist in the style and method of organising scientific activities," the committee said, and added that economists that did not produce results should be sacked.

The report also criticised the style and content of the institute's theoretical magazine "Voprosii ekonomiki"—Questions of Economics.

The latest attack appears to confirm that the momentum behind economic reform built up under Mr Yuri Andropov is continuing. Significantly, the criticism is limited to the Moscow-based institute and does not extend, for example, to the Economics Institute of the Siberian Academy of Sciences in Novosibirsk.

This institute, under Mr Abel Aganbegyan, has made a name for itself, both inside the Soviet Union and abroad, for penetrating and often highly critical analyses of many aspects of the Soviet economy. Economists there have analysed low productivity, the slow introduction of new technology and management methods and the dangers of industrial pollution.

The prestige of the Siberian Academy is matched by the high reputation of many of the younger Soviet managers who either grew up in Siberia or have been involved in managing major Siberian mining, oil and gas or infrastructure projects. Several men promoted under Mr Andropov built up their reputations for innovation and efficiency there.

Arbed aid

The Bonn and Saarland state governments have approved a further DM 14.2m (£3.65m) aid for Arbed's troubled West German subsidiary Arbed Saarstahl to cover its short-term liquidity needs. Saarstahl and Saarland government officials said, **Reuter reports from Frankfurt.**

The payment, to be made in the next few days, will bring total aid paid to Saarstahl this year to DM 54.2m.

Walkout over Punjab

India's opposition politicians walked out of parliament for the second consecutive day yesterday and paramilitary reinforcements arrived at the Sikh holy city of Amritsar in a deepening crisis over communal bloodshed in Punjab state, **Reuter reports from New Delhi.**

Sikh leaders described a stepped-up security cordon around the golden temple in Amritsar as a provocation.

Swissair equality

Woman pilots will be able to fly for Swissair, **John Wicks reports from Zurich.** The country's federal civil aviation school, a Government institution that trains pilots for Swissair, has agreed to accept woman candidates "under the same conditions as men." At present, the only woman airline pilot in Switzerland flies for the regional carrier Crossair.

Dioxin destruction

The toxic waste from the Seveso chemical plant explosion in 1976 is finally to be destroyed. **John Wicks reports from Zurich.** The Swiss chemical company Ciba-Geigy is to carry out incineration of the dioxin-content materials in Basle this October.

Lebanese factions observe truce

BY PATRICK COCKBURN IN BEIRUT

A CEASEFIRE between Lebanon's warring factions appearedto be holding yesterday, although there were intermittent explosions of rocket-propelled grenades and machine-gun fire. Up to 12 people were killed in Beirut and the nearby Chouf mountains overnight.

The Lebanese army said it was observing the ceasefire, arranged on Thursday night by the Saudi mediator Prince Bandar Bin Sultan. But officials of the two main Syrian-backed Moslem militiats, who oppose the Government of President Amin Gemayel, said they had not been contacted about it.

Mr Nabih Merri, leader of the Shia militia Amal which controls West eBirut, said he had nothing to do with the truce. Druze officials said they had no word about implementation of a ceasefire.

Otherwise the diplomatic deadlock continued yesterday, with Preident Gemayel under pressure from hardline Christians opposed to the May 17 accord with Israel and to closer links with Syria.

Meanwhile, Beirut radio stations reported an upsurge of violence in southern Lebanon. They said that at least five Israeli soldiers were killed in a grenade attack on a vehicle on the southern approach to the port of Sidon.

If this is true, it is the worst single incident since 29 Israeli soldiers were killed by a suicide truck bomb at the start of November.

In Tel Aviv, however, a military spokesman "emphatically denied" the report. He also denied that anyone was killed in a separate incident in the village of Maaraka where eyewitnesses said Israeli troops fired into a crowd of stone-throwing demonstrators, killing four and wounding 25.

Increased tension in the south may be linked to the assassination last week of a Shia cleric, Sheikh Rageb Harb, who was a militant critic of Israeli occupation. There has been a sharp increase in the number of attacks on Israeli soldiers there over the past four months.

● Palestine Liberation Organisation chairman Yasser Arafat will arrive in Amman within the next two days to resume top-level political talks with Jordan's King Hussein, Palestine officials say, writes **Rami Khouri in Amman.**

They will resume the talks that were broken off last April, after seven months of talks failed to produce a joint Jordanian-Palestinian political programme in response to the September, 1982, Middle East initiative of President Ronald Reagan.

Mr Arafat's talks with King Hussein and other top Jordanian officials are expected to review the overall political balance in the Middle East in the wake of Mr Arafat's recent departure from north Lebanon, the rise of Syrian influence in the region, and the apparent closing of ranks between Mr Arafat and Egyptian President, Hosne Mubarak.

Mr Arafat is expected to move cautiously in his talks here, give nthe current attempt to heal the rift between himself and Syria.

A senior official close to Mr Arafat, Mr Farouk Kaddoumi the PLO's foreign affairs department head, was in Syria during the past week in the first of what are expected to be various attempts to reconcile Syria and the PLO leaders.

Unita seizes foreigners in attack on mines

BY J. D. F. JONES IN JOHANNESBURG AND MICHAEL HOLMAN IN LONDON

UNITA GUERRILLAS claimed yesterday to have captured 77 foreigners, including 16 British technicians, in the diamond mining town of Kafunfo in north-east Angola.

In a communique issued in Lisbon, Unita, which has been conducting a guerrilla campaign against the MLPA Government of President Eduardo do Santos since 1976, said it took the prisoners during an attack on the town, one of the four main mining centres in Lunda North province.

Diamonds are Angola's second largest foreign exchange earner after oil. Production in 1982 was 1.3m carats, between 6 and 10 per cent of world gem production.

The state mining company, Diamang, is 77 per cent state owned. Belgium's Société Générale has a 15 per cent share, while De Beers hold 1.5 per cent. A De Beers company, Mining and Technical Services manages Diamang, and the output is sold through De Beer's Central Selling Organisatioin.

Unita insurgents, led by Dr Jonas Savimbi, have been increasingly active in recent months. Drawing largely on South African logistical support they have managed to keep the Benguela railway—which once carried copper from Zambia and Zaire to the port of Lobito—closed to through traffic.

It has been widely assumed that South Africa would end support for Unita as part of a complex ceasefire ultimately involving South African, Angolan, and Cuban troops in the country, and guerrillas of the South West Africa Peoples Organisation (Swapo) fighting for the independence of Namibia.

Yesterday's action by Unita suggests that it may not be amenable to such a scheme, and is determined to demonstrate publicly its strength.

The South Africa-Angolan joint commission set up last week to monitor the ceasefire faces it first test today. The commisssion is due to meet in southern Angola after reports of a large group of Swapo guerrillas moving south.

On Thursday night, Mr Pik Botha, the South African Foreign Minister, said that he had information that 800 Swapo troops were moving into southern Angola in the wake of the disengagement; that 200 had crossed the border, and 41 Swapo insurgents had been shot.

Iran claims further advance in Gulf fighting

BY OUR MIDDLE EAST STAFF

IRAN reported further fighting yesterday and said its forces advanced deeper into southern Iraq, as the situation in the Gulf War remained uncertain.

At a prayer meeting in Tehran, President Ali Khamanei said that Iranian forces had captured the Majnoon islands in the southern marshlands of Iraq and reached the highway between Basra and Amarah, part of the country's principal north-south road.

He again referred to the strategic Strait of Hormuz, through which around one-fifth of the industrialised West's oil flows. In what some observers interpreted as a softening of Tehran's line, he said that Iran would not attack shipping through the strait as long as its own ships were not hindered.

According to the Iranian national news agency he ordered attacks on Iraqi cities in retalation for Iraqi missile strikes on Thursday night which Tehran said killed at least 59 people in the Iranian towns of Khorramabad and Borujerd.

There was no Iraqui confirmation of the Iranian claims, Baghdad Radio said Iraqi fighters shot down an Iranian F-14 jet and that the Baghdad-Basra highway remained open and secure and other towns were calm.

U.S. officials with access to satellite photographs say that despite the Iranian claims the indications are that Iran has yet to commit the bulk of its forces.

Iran said yesterday that 1,500 Iraqi soldiers had been killed or wounded since Thursday night, and that 37 villages in the Iraqi provinces of Basra and Amarah had been "liberated."

On Thursday, it had reported that the Iraqi town of Qurnah, about 40 miles north-west of Basra, had been captured, although correspondents of Western news agencies who visited the town said it was still firmly in Iraqi hands. Iran said yesterday that the town was "within the firing range of the Islamic combatants."

Israeli financier 'persecuted'

BY OUR TEL AVIV CORRESPONDENT

ISRAELI FINANCIER Yacov Levinson, whose suicide has set off a banking and political scandal, was buried in a kibbutz cemetery yesterday with friends charging he was the victim of a vicious power struggle.

Levinson, 52, a Labour Party member who built the trade union's Bank Hapoalim into a major institution, was eulogised as one of the best brains Israel has produced. There were calls from the press and politicians for a probe into the leadership of Bank Hapoalim and its parent Histradrut trade union federation.

Levinson had been under investigation for alleged irregularities in the transfer of Hapoalim funds to a U.S. company he ran. In a suicide note, he again declared his innocence and said "the gang" at the bank had been trying to break him.

His widow fuelled the bitter recriminations by announcing she was barring four people from attending the funeral—bank chairman Giora Gazit, board member Moshe Olenik, Histadrut secretary - general Yeroham Meshel and Danny Rosolio, head of the huge trade union holding company Hevrat Odim.

Bank chairman Mr Gazit issued a statement saying public obligations had obliged the bank to launch the investigation into Mr Levinson's activities. He declined to reply to the charges in the suicide note.

U.S. inflation accelerates as food prices rise

By Stewart Fleming in Washington

INFLATION in the U.S. is beginning to accelerate from the very low levels reached in 1983 in the wake of the economic recession.

The Labour Department reported yesterday that consumer prices rose in January by 0.6 per cent, the biggest monthly increase since April of last year.

For 1983 as a whole consumer prices rose 3.8 per cent. However over the past three months partly owing to increased food prices, the consumer price index has risen at a compound annual rate of 5 per cent.

Food prices, which have been affected by drought last summer and the winter weather, are up 9.3 per cent over the period.

In January sharp increases in heating fuel prices and telephone charges helped drive the index up. Concern about acceleration inflation has yet to become generalised, but the financial markets are anxiously watching the trends, which are taking place against a strong economic upswing.

Japanese group in China road venture

BY TERRY POVEY IN TOKYO

KANEMATSU-GOSHO, one of Japan's major trading companies, Hopewell Holdings of Hong Kong and the provincial government of Guangzhou are to form a joint-venture in April to build a $900m (£643m) highway in southern China.

The 240 km road is to run from the mainland China border with Hong Kong at Shenzhen, around the estuary of the River Giang, passing through the major city of Guangzhou (known earlier as Canton) to the borders of Macao. Both Hong Kong and Macao could readily be connected to the highway.

Construction of the road is due to begin in October this year and the three-stage project is expected to take 10 years.

The road will be operated with tolls by the joint venture company—Guangzhou-Shenzhen-Zhuhai Super Highway—which will be 51 per cent owned by the provincial government and the rest divided between Hopewell and Kanematsu-Gosho.

The construction work is to be carried out by Japanese contractors. Kanematsu-Gosho has its own machinery and construction division.

Last year the trading company, ranked eigth largest in Japan, set up a joint-venture trading company with China's Tianjin municipal authority in Hong Kong.

Hong Kong civic leaders demand right to debate future

BY ROBERT COTTRELL IN HONG KONG

HONG KONG civic leaders are demanding the right to debate publicly proposals for the territory's future prior to final agreement between Britain and China.

The call comes from the so-called Unofficial, or non-government, members of Hong Kong's Legislative Council, which comprises Government officials as well as the Unofficial appointees from the private sector.

The Unofficials' call draws attention to the territory's claim to have a say in its future. China has insisted that Hong Kong is a matter for bipartisan negotiation between Britain and China. Its only concession has been to suggest informally that it will listen to the views of the Hong Kong people when drawing up the "mini-constitution" for the territory after Britain's lease runs out in 1997.

Britain has said that any settlement with China will have to be "acceptable" to the people of Hong Kong. The Hong Kong people still know little of the course of the confidential negotiations.

Any proposed Sino-British settlement would first be discussed by Hong Kong's Executive Council, the smaller body which advises the Governor in secret on all major policy decisions. Most Executive Council Unofficials also sit on the broader Council, whose debate would throw the issue open to fuller participation and, more importantly, allow Unofficials to make their comments in a public forum.

Mr Roger Lobo, senior Legislative Council Unofficial, said yesterday that the Unofficials' plan to propose a motion at the March 14 meeting of the council stating that "this council deems it essential that any proposals for the future of Hong Kong should be debated in this council before any final agreement is reached."

Conventionally, the Government does not oppose a motion enjoying the unanimous support of the Legislative Council's unofficial members. It said last night that it "welcomed" the motion.

Li Jusehng, a member of China's negotiating team, said earlier this week that he hoped a preliminary Sino-British agreement would be reached by July. Chinese officials had already indicated that they regard September as the deadline, on penalty of a unilateral Chinese announcement.

Following this week's ninth round of Sino-British talks, a tenth round is scheduled for March 16 and 17.

Our Diplomatic Staff writes: The British Foreign Office yesterday could not confirm rumours in Hong Kong that Sir Geoffrey Howe, the Foreign Secretary, would visit the colony in April, saying only that he planned a trip some time this year.

UK CONVERTIBLE STOCK 25/2/84

Statistics provided by DATASTREAM International

Name and description	Size (£m)	Current price	Terms*	Conversion dates♣	Flat yield	Red yield	Premium† Current	Premium† Range‡	Income Equ§	Income Conv¶	Income Div♡	Cheap (+) Dear(−)◇ Current
British Land 12pc Cv 2002	9.60	368.50	333.3	80-92	3.3		−4.4	−7 to 1	45.6	66.0	5.3	+ 9.7
Hanson Trust 9½pc Cv 01-06	81.54	263.50	160.7	85-01	3.8	0.4	−4.1	−8 to −1	168.3	74.9	−34.0	−29.8
Slough Estates 10pc Cv 87-90	5.03	260.50	234.4	78-85	3.9		−8.9	−12 to −4	18.7	9.3	− 3.3	+ 5.6
Slough Estates 8pc Cv 91-94	24.72	120.00	97.5	80-89	6.7	4.9	0.9	−3 to 3	26.7	30.2	2.9	+ 2.0

* Number of ordinary shares into which £100 nominal of convertible stock is converuble. † The extra cost of investment in convertible expressed as per cent of the cost of the equity in the convertible stock. ‡ Three-month range. § Income on number of ordinary shares into which £100 nominal of convertible stock is convertible. This income, expressed in pence, is summed from present time until income on ordinary shares is greater than income on £100 nominal of convertible or the final conversion date whichever is earlier. Income is assumed to grow at 10 per cent per annum and is present valued at 12 per cent per annum. ¶ Income on £100 of convertible. Income is summed until conversion and present valued at 12 per cent per annum. ♡ This is income of the convertible less income of the underlying equity expressed as per cent of the value of the underlying equity. ◇ The difference between the premium and income difference expressed as per cent of the value of underlying equity. + is an indication of relative cheapness. − is an indication of relative dearness. ♣ Second date is assumed date of conversion. This is not necessarily the last date of conversion.

Protest at killing halts Basque country

By David White in Madrid

THE SPANISH Basque country was paralysed yesterday by a general strike in protest over the terrorist murder on Thursday of Senator Enrique Casas, one of the Socialist Party's top candidates for the region's parliament.

The strike, coinciding with the last official electioneering day for Sunday's election to the 75-seat Basque Parliament, was backed by Spain's leading Communist and Socialist trade union federations and by the Basque nationalist labour organisation ELA-STV.

Tension over the killing, the first of a parliamentarian in post-Franco Spain, subsided yesterday amid unanimous condemnation by political parties.

Sr Felipe Gonzalez, the Prime Minister, who flew to San Sebastian to attend the senator's funeral, said that the Government was not going to lose its nerve in the face of terrorism.

"We must continue to show the assassins that we're not going to give an inch, that we are not going to yield or submit," he said, calling for a big turnout of the 1.6m Basque voters on Sunday.

Ironically, Sr Gonzalez had earlier called off a planned election trip to the Basque country set for yesterday, in order not to stir up the animosity of Basque nationalists towards the Madrid government.

Most Spanish newspapers held Eta, the underground separatist organisation, responsible for the shooting of Sr Casas, despite a message from Eta denying its involvement.

The murder was claimed by two groups, the hitherto unknown Mendeku (vengeance) and the Autonomous anti-Capitalist Commandos, an Eta splinter group.

Herri Batasuna (Popular Unity), Eta's political front, followed other patries in condemning the murder and alleged in newspaper advertisements that "secret strings" were behind it.

The shooting which sent shock waves throughout Spain, has added an important new factor to the election and is expected to be detrimental to Herri Batasuna's vote, drawn from radical nationalist and far-left sectors.

The election will determine whether the Basque Nationalost Party (PNV) will continue for another four years in the region's autonomous government.

Bonn current account deficit

By Jonathan Carr in Bonn

THE current account of the West German balance of payments slipped DM 600m (£154m) into deficit last month, after showing a surplus of DM 5.5bn in December and a deficit of DM 120m in January, last year.

A key reason for the poorer figure was that the visible trade surplus fell to DM 1.9bn, from DM 4.1bn in December and DM 2.7bn in January last year.

While West German exports last month increased by nearly 13 per cent against the figure of a year earlier, imports rose still more strongly—by more than 16 per cent.

Anti-cancer drug to be marketed 'within a year'

BY DAVID FISHLOCK, SCIENCE EDITOR

INTERFERON made by genetic engineering is expected to be put on the market as an anti-cancer drug within about a year, says Biogen, the international biotechnology company whose shareholders include Grand Metropolitan.

The European Patent Office is granting Biogen a product patent covering alpha interferons made by a genetic engineering process worked out by Dr Charles Weissmann, its chief scientific adviser, at Zürich University.

The patent covers Dr Weissman's invention of the first process for making a natural substance by artificial means, using a genetic engineering technique.

Dr Weissmann's invention has transformed interferon from a rarity costing billions of dollars a gram in the late 1970s into a substance Biogen has given away to research scientists for clinical trials.

Although alpha interferons have proved disappointing as treatments for the more common types of cancer, they have shown promise for treating some rarer cancers of the blood.

Schering-Plough, the U.S. drug group, a shareholder in Biogen since 1979, plans to market alpha interferons as an anti-cancer drug called Intron late this year or early 1985, following approval from U.S. drug regulatory authorities.

This summer Schering-Plough is expected to apply for approval to market alpha interferons as a treatment for colds, in the form of a nasal spray.

If the European patent holds up it will give Schering-Plough a dominant position in the 11 countries of the European Patent Convention, Biogen believes.

It estimates that these countries represent a third of the world market for drugs.

Dr Walter Gilbert, Biogen's Nobel-prizewinning chairman, an authority on cancer, says he expects no patent protection for interferons in future as strong as the first one granted to Biogen.

He expects the Biogen patent to be contested, particularly by Genentech, a rival biotechnology company in California, whose drug industry partner for interferons is Hoffman-La Roche.

A leading London blood diseases consultant said yesterday that the alpha interferons looked promising as treatments for one or two rare blood cancers, including one form of leukaemia.

The alpha interferons showed two effects, he said. One was to stop proliferation of cancer cells, the other to stimulate the body's natural defences to attack the tumour.

Aiwa to halt UK sales of twin cassette recorder

BY JASON CRISP

AIWA, the Japanese hi-fi company, has agreed to withdraw its high-speed double-headed cassette recorders from the UK following pressure from the Mechanical Rights Society and the British Phonographic Industy.

The two bodies object to all hi-fi equipment with two-cassette recorders, because they make it easy to copy pre-recorded cassettes and theoretically deprive the copyright owners of income. There is now a wide range of machines, including portable equipment, with two-cassette recorders.

The British Phonographic Industry and the Mechanical Rights Society were concerned at an Aiwa machine which could record both sides of a cassette at double time—in effect one quarter the time it would take to listen to it. The BPI council claims this was "the last straw" since it blurred the distinction between home-taping and commercial piracy.

Aiwa has sold several thousand of these high-speed machines in the UK since they were launched at the end of 1982. The model is widely available in the U.S., Japan and most of Western Europe.

Mr Keith Tubby, managing director of Aiwa (UK) said: "We don't consider this machine to be any different to other equipment of this type. But as a company we acknowledge our responsibility to co-operate with the software people as their products are used on our products. This point was not really worth fighting about"

Although Aiwa has withdrawn the high-speed model, it will continue to sell machines — in common with many other manufacturers—which can record at twice playing time by recording both sides at once.

The BPI said yesterday the agreement with Aiwa was "a substantial first step towards a wider music industry goal.

● Sinclair Research confirmed it will not re-enter U.S. market with its existing low-cost home computers. Earlier this week, Timex which licensed Sinclair computers in the U.S., suddenly withdrew from the market. Sinclair will continue with its original plan to launch the new £400 QL computer in the U.S. by mail order later this year

Greater London Council 'undermining democracy'

BY KEVIN BROWN

THE Greater London Council was accused yesterday of undermining democracy by appointing political sympathisers as council executives.

Sir George Young, the Environment Under-Secretary, claimed the GLC was breaking down the distinction between elected politicians and neutral officers in a series of political appointments at County Hall.

He told the Commons that the Government was determined to press on with its plans to abolish the GLC and the six other metropolitan county councils.

In one of the most hard-hitting ministerial attacks on London Labour leaders, Sir George listed five appointments which he claimed undermined the integrity of public service.

They were: Mr Reg Race, former Labour MP for Wood Green, as head programme officer, Mr Robin Murray, former Tribune Group economic adviser as chief economic adviser; Mr Alan McGarvey, deputy Labour leader of Wandsworth Council as chief executive of the Greater London Enterprise Board, and Mr Arthur Latham, former Labour MP for Paddington, and Miss Merle Amory, a Labour borough councillor in Brent, to the London Transport Board.

Kohl and Mitterrand meet

FRENCH President Francois Mitterrand and West German Chancellor Helmut Kohl met last night to try to find common ground on the reform of the European Community at the summit in Brussels next month, Reuter reports from Paris.

French officials said the talks over dinner at the Elysee Palace were not aimed at making decisions, but President Mitterrand is known to believe that no agreement will be possible without a Franco-German understanding.

M. Mitterrand, who is basing France's European presidency on his bilateral meetings with other European leaders, will meet Mrs Thatcher on March 5 in Britain.

Diplomats said that if M. Mitterrand could sketch out a compromise with Herr Kohl on issues where Bonn and Paris disagree he could be in a strong position to seek flexibility

FINANCIAL TIMES, USPS No 190640, published daily except Sundays and holidays. U.S. subscription rates $420.00 per annum. Second class postage paid at New York NY and at additional mailing offices. POSTMASTER: send address changes to: FINANCIAL TIMES, 14 East 60th Street, New York, NY, 10022.

Rees rules out large state sector price rises

By Peter Riddell, Political Editor

PRICE RISES by nationalised industries in the coming financial year are expected to be at or below the general level of inflation, Mr Peter Rees, Chief Secretary to the Treasury, said last night in a speech at Loughborough.

His comments were intended to rebut criticisms that the Government's assumption about an improvement in the finances of the nationalised industries could be achieved only by massive increases or massive redundancies.

He denied that the Government relied on using nationalised industry pricing as a form of taxation.

Mr Rees said that if for some reason spending on local authorities or on another programme exceeded the provisions laid down in last week's White Paper, that did not mean that the Government must increase the overall total of spending. It was determined not to do so.

The Chief Secretary pointed to the large contingency reserves for the next three financial years, which were intended to deal with unforeseen increases.

Costs delay privatisation plan for steel works

BY PETER BRUCE

GOVERNMENT approval for the partial privatisation of the British Steel Corporation's engineering steel works will take months, rather than weeks, it was learned yesterday.

The Government is expected to help meet rationalisation costs, contained in formal proposals with the Trade and Industry Department, to merge the BSC mills with GKN's engineering steels operations. But these costs are now believed to be much higher than ministers expected.

The proposals handed to the Government by BSC and GKN earlier this week involve the creation of a joint venture by the two producers in a sector where UK capacity of about 2.6m tonnes a year is thought to exceed demand by 45 per cent. The rationalisation scheme, dubbed Phoenix Two, involves four BSC plants around Sheffield and Rotherham, and GKN's Brymbo works in Wales.

A number of closures are likely once the plan is approved. The sixth plant involved—Hadfields, bought by BSC and GKN from Lonrho last year—operated its electric arc furnaces for the last time yesterday. The Hadfield bar mill will close on March 3, with all work ceasing on March 9, resulting in the loss of 730 jobs.

British Steel became the world's third largest steel producing concern last year, as liquid steel production rose to 12.7m tonnes from 11.3m tonnes in 1982. A survey published yesterday by the authoritative Metal Bulletin shows that Japan's Nippon Steel retained its leading position with output of 26.86m tonnes. United States Steel, ranked fifth in 1982 with an output of 10.9m tonnes, rose to second position in the 1983 survey. Its output totalled 13.4m tonnes. Finsider, the Italian state-owned producer, dropped from second to fourth position last year. Its output was 12.17m tonnes.

Although BSC is likely to take a 50 per cent stake in the joint venture, it is providing more than half the assets which has goaded unions into action to block the merger. The Iron and Steel Trades Confederation, the main steel union, has approved plans to prevent the transfer of production from any plants closed under the scheme.

Provisional Trade and Industry Department estimates, meanwhile, show a marginal rise in UK steel stocks in the final quarter of last year. "De-stocking by consumers may have halted in the fourth quarter," the department says.

A modest rise in UK steel consumption, from 2.65m tonnes in the third quarter, to 2.89m tonnes in the fourth, was not sufficient to prevent total 1983 consumption falling some 6 per cent below the 12.3m tonnes recorded in 1982. Much of the fall in consumption, says the department, was due to a 10 per cent drop in import volume.

● New domestic and export orders for British machine tools have risen sharply, according to seasonally adjusted figures for the three months ended last November, released today by the Trade and Industry Department.

The figures show a 21.5 per cent rise in new UK orders over the preceding three months and a 25.5 per cent increase in new export orders. Total sales by the UK machine tool industry rose 16 per cent during the quarter, due mainly to a 29 per cent rise in domestic deliveries.

Ultramar and Spar expand venture

By Dominic Lawson

ULTRAMAR, the fast-growing independent oil company, and Spar, the grocer, are expanding their joint venture, Ultra-Spar. It has been set up to combine convenience grocery stores and petrol stations on shared sites.

The second such unit is to open today in Cowley, Oxfordshire. The first, a test site near Basingstoke, has been operating since last November.

Ultramar services about 600 petrol stations in England, about two-thirds of which are in villages. The rural network of petrol stations has been contracting rapidly industry wide, and for Ultramar the joint venture represents an attempt to ensure the survival of its rural dealership.

About 100 of Ultramar's outlets are suitable for adaptation to petrol stations with grocery stores, though the venture is not yet under consideration for expansion on that scale.

The shared-site idea was highlighted a month ago when BP started to advertise for independent grocers to run its petrol stations.

Access to use holograms to fight credit card fraud

BY ALAN CANE

CREDIT CARD companies are using high technology to beat credit card fraud, thought to be costing them millions of pounds a year.

Access cards now being issued to the company's 7m subscribers bear a white light hologram — a three-dimensional image which can be seen in ordinary light — on their surface.

The image, two globes over-printed with the letters MC for MasterCard, changes colour and orientation according to the angle of sight.

Genuine

The hologram is a visual guarantee that the card is genuine as the cost of manufacturing holograms of this type is believed to be too high to be a worthwhile proposition for the forger.

Access, American Express, Barclaycard and Diners Club, yesterday formally announced a new company, On Line Card Services, and a new service Card Link, to help beat card fraud.

The formation of the company was revealed in the Financial Times last Tuesday.

It will market authorisation telephones to selected retailers.

Credit cards can be "swiped" through a slot in these telephones initiating a call to the card issuers' computer centres where the information on it is verified before the transaction is allowed to proceed.

According to On Line Card Services: "The service will enable card companies to avoid unnecessary duplication of development and other costs as well as improving their control over fraud and credit losses.

Chairman of the new company for the first year will be Mr Nick Rowe of Diners Club.

The banks are planning to introduce later in the year a new £50 bank card with up to seven layers of security.

Pension fund dealings in futures to be tax free

By Clive Wolman

PENSION FUNDS are to be allowed to deal on the London and International Financial Futures Exchange without incurring liability either to income tax or to capital gains tax, it emerged yesterday.

Inland Revenue officials agreed at a meeting last week with representatives of the exchange and the National Association of Pension Funds that a clause would be inserted in this year's Finance Bill exempting pension funds from capital gains tax on dealings in futures contracts.

This removes the last obstacle to involvement of the pension funds in the nascent financial futures market set up 17 months ago.

In particular it will allow pension funds to hedge their portfolios of investments against changes in interest rates, currency rates or a stock-market downturn.

In the longer term it is expected to increase the turnover in the exchange and thus ease buying and selling.

In December the Government announced that it intended to exempt pension fund-dealing profits from income tax.

MP attacks rowdiness in House

By Peter Riddell

STRONG CRITICISM of the way the House of Commons conducts its affairs, especially at the twice-weekly Prime Minister's questions, was made last night by Mr Robert Rhodes James, Conservative MP for Cambridge, and a former member of the clerks' department of the House.

Mr Rhodes James told a meeting in his constituency that it was time most MPs supported the Speaker in acting "to restore a situation that is rapidly getting out of control, and dishonours parliament and the British people."

His remarks clearly arise out of the row during and after Prime Minister's questions on Thursday and reflect senior backbenchers' concern about the deterioration in behaviour.

Mr Rhodes James avoided criticising the Speaker, although a number of other MPs believe he is partly responsible for the problems.

He said there was a "moronic uproar" at question time which made it impossible to think "surrounded as one is by so many colleagues who appear incapable of doing so in any event." That presumably is aimed in part at some fellow Tory MPs, although he criticised the "calculated howling down of SDP or Liberal MPs by Labour . . . which is not condemned by its leadership. It is a sorry state of affairs."

Shore in further Oman challenge to Thatcher

By Peter Riddell

A FURTHER challenge to the Prime Minister to give a detailed explanation of the involvement of her son Mark in the Oman university contract won by Cementation was made yesterday by Mr Peter Shore, the Shadow leader of the Commons.

Mr Shore tabled two questions for Mrs Thatcher to answer next week. He asked her when she learnt that Cementation was in negotiation with the Oman Government for the university contract; and when she learnt of her son's financial interest in the award of this contract to Cementation.

He argued that it was Mrs Thatcher's failure to answer the simplest questions of fact that had served to feed suspicions and to cause the Prime Minister herself "such evident and increasing embarrassment."

Holiday highspots sold

By Charles Batchelor

TWO VENERABLE monuments to the British passion for seaside holidays changed hands yesterday.

Brighton Palace Pier, built in 1888, and Butlin's Clacton-on-Sea holiday camp, first opened in 1938, have been bought by privately owned leisure groups in two separate deals.

Amusement Enterprises, a Stoke-on-Trent, Staffordshire, company which has been run by four generations of the Collins family, has paid several million pounds for Butlin's Clacton camp which closed in October.

The Noble Organisation, a bingo hall and amusement arcade company based in South Shields, Tyne and Wear, has paid a substantial sum for the Brighton Marine and Pier Company, which owns the pier.

The Noble group will take over running Brighton pier from March 26 with the aim of providing year-round amusements.

The company is run by the two sons of Mr William Noble, who founded it in 1946 and has annual gross turnover of about £20m on premises between Glasgow and Margate in Kent.

Mr Derek McKenzie, Noble's project development manager, said: "I am quite certain we can turn the pier into a very substantial attraction on the South Coast.

"We intend to modernise the amusements in keeping with the pier's character." The Palace Pier has survived rather better than the nearby West Pier, which is practically derelict, but parts of it are not in use and it is closed during the winter.

The 45-acre holiday camp site at Clacton, which will be renamed Atlas Park, will re-open at Easter and giant amusement rides and roller coasters will be added under a five-year investment programme.

Amusement Enterprises held the concession to provide amusements at Alton Towers, a theme park in Staffordshire, until three years ago and has been looking for a new amusement park since then.

Mr Brian Collins, chairman and managing director of Amusement Enterprises, said: "We have been planning to develop a major theme park in the south-east for many years. This is an ideal site.

Britoil agrees to talks with Trafalgar over rig

BY MARK MEREDITH, SCOTTISH CORRESPONDENT

BRITOIL said yesterday that detailed contractual negotiations could begin with Trafalgar House, the property and shipping group, over the completion of a semisubmersible drilling rig at the Scott Lithgow yard on the lower Clyde.

Britoil cancelled its £88m order from the British Shipbuilders yard in December, when the contract was about two years behind schedule.

Yesterday's statement added, however, that talks with other companies also interested in taking over the yard and the Britoil order would continue. The UK arm of Bechtel, the large U.S. engineering concern, and Howard Doris, the Anglo-French consortium which runs an offshore fabrication yard in the Western Highlands, have started talks with Britoil.

"Discussions with Trafalgar House have reached the stage where both parties interested can enter into detailed contractual negotiations," Britoil said.

Trafalgar House has appeared to have the edge over its two competitors with a conditional agreement from British Shipbuilders to take over Scott Lithgow.

However, only Britoil approval will decide who takes over the contract at the yard on the lower Clyde.

The coming week could be crucial as Trafalgar House's agreement with British Shipbuilders runs out at the end of the month. The company has warned it may not want to remain in negotiations if they drag on too long.

Howard Doris said it would make its formal submissions to British Shipbuilders and Britoil within the next two weeks.

A similar submission from Bechtel is expected soon.

GM car sales set to remain ahead of BL's

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

GENERAL MOTORS, the Vauxhall-Opel group, seems certain to remain ahead of BL in the car sales charts for the second successive month.

After 20 days of February registrations, GM had taken 19.11 per cent of the market compared with BL's 16.66 per cent. Ford remained market leader with 28.99 per cent.

GM's aggressive fast start campaign, which offers dealers a variety of incentives, finishes in February and the group's market share could well be above 20 per cent by the end of the month as distributors scramble to make the sales they need to collect their bonuses and prizes.

BL's Austin Rover subsidiary has a campaign for dealers which reaches a climax in March and this should begin to show in the sales figures before long.

According to the Society of Motor Manufacturers and Traders, the car market has been buoyant in February with registrations of 113,750 in the first 20 days representing a 1.56 per cent increase in the total for the same period of February 1983.

GM's success shows up in the import figures because the group is bringing in well over half the cars it sells in Britain from its continental plants.

Imports accounted for 57.61 per cent of car sales in the first 20 days of this month against 55.66 per cent in the same period of last year.

GM's Vauxhall Cavalier remained ahead of the Ford Sierra in the top 10 cars list with sales of 8,651 compared with 8,591 in the first 20 days of February. The Ford Escort remained best-seller with 11,412 registrations.

Austin Rover hopes to return to the forefront of international car rallying with this four-wheel-drive mid-engined V6 MG Metro.

Powered by a centrally-mounted 2.5 litre all-aluminium engine derived from the Rover V8 unit, the two-seater Metro 6R4 will undergo concentrated tests before Austin Rover makes a final commitment to build the 200 identical cars required to qualify for international rally eligibility.

Mr Mark Snowdon, Austin Rover's commercial managing director, said yesterday: "Though it is very much a development exercise at this stage, we would not deny our aspirations to compete in and win the world rally championship with this exciting car.

"Undoubtedly it would enhance the image of Austin Rover and Britain across the world and spearhead our export drive."

The company also announced that its 1984 motorsport plans include entry in the European touring car championship with a team of Rover Vitesses and a return to international rallying with group A Vitesses.

New share index name agreed

By Charles Batchelor

THE COUNCIL of the Stock Exchange confirmed yesterday it has agreed with the Financial Times the name of the new share index recording minute-by-minute price movements of 100 leading shares.

The index will be published as the FT-SE 100 Index from Monday February 27.

A Financial Times representative will serve on the steering committee which oversees the composition and calculation of the index. Marketing arrangements for the index will be under the control of the Stock Exchange Council.

The index was launched on February 13 in response to requests from the London International Financial Futures Exchange (Liffe) and the Stock Exchange's traded options market which both wanted a real-time index on which to deal.

Liffe plans to start trading an equity index contract valued at £25,000 on May 3.

A traded options contract based on the index is also planned for early May.

The FT-SE 100 Index comprises the 100 largest companies in terms of market valuation, including 69 industrial groups, five oil companies, 21 financial companies, two investment trusts, two mining finance companies and an overseas trader. It has a base value of 1000 dated from January 3 1984.

EEC funds 'part of UK expenditure'

By Robin Reeves

FINANCIAL AID from the European Economic Community must be regarded as part of British Government expenditure rather than additional to it, Mr Nicholas Edwards, Secretary for Wales, told a conference in Cardiff yesterday.

Rejecting the long-standing EEC aim of ensuring that aid from Common Market regional and social funds is additional to national public expenditure, Mr Edwards told the European Conservative group: "It must be understood that public expenditure is public expenditure wherever it comes from. If we spend more through European mechanisms, we may have to spend less through our own.

"European money is seen as something extra. People are keen to ask for it and take it . . . but nothing is for free: everything has to be paid for and this country is a major contributor to European expenditure."

Mr Edwards also rejected the European Commission's efforts to gain a greater say on how the regional and social funds are allocated, through jointly agreed programmes with national and local authorities.

"We have to decide in each case whether programmes are best carried out at the Community level or the national level," he said.

Minister reaffirms plan for wider share ownership

BY BARRY RILEY

THE GOVERNMENT will continue to encourage wider share ownership through its privatisation programme. Further techniques to achieve this are likely to be worked out for the forthcoming British Telecom and British Airways issues, Mr Alex Fletcher, Minister for corporate and consumer affairs at the Department of Trade and Industry, said yesterday.

He told the National Association of Pension Funds investment conference at Eastbourne that policy objectives included both wider share ownership among the public and greater employee involvement.

"The more people are directly involved in the wealth-creating part of the economy through shareholdings, the more will the wealth-creating process be encouraged by a reduction in the us and them attitudes that are still a feature of so much of our industry."

Mr Fletcher said some of the more monolithic public-sector monopolies might need restructuring as part of the privatisation.

Mr Fletcher commented on the timetable envisaged for implementing the Gower recommendations on investor protection. He hoped policy decisions would be taken before the parliamentary recess this summer. A White Paper could follow later in the year.

Another speaker told the conference that Inner City Enterprises, the company set up by about 50 investment institutions to promote inner city development projects, may need to operate as a principal rather than an agent.

Mr Wyndham Thomas, chairman of ICE, said it was proving difficult to earn fees at the level required. He expected the emphasis to change from about the end of this year towards acting as an organiser and promoter of projects rather than merely as a financing agency.

He said ICE had looked at more than 100 projects. "We have so far discussed a dozen or so with our institutional contacts but put only six of them as submissions. Subject to a bit more work, five look very hopeful and one rather doubtful."

The range of costs was from £300,000 to £1.25m. but each would attract substantial urban development grants, thereby reducing the amount of institutional investment sought.

David Dodwell examines the Crown Agents' future role

Reprieve for a colonial relic

THE CROWN AGENTS, that curious colonial organisation that has faced the prospect of extinction more often than it would admit over the past 30 years, has won yet another stay of execution.

In a statement to the House of Commons on Thursday, Mr Timothy Raison, the Minister for Overseas Development, said the Crown Agents should return to profitability by 1986 and the Government would study ways of privatising at least parts of the organisation.

The Crown Agents' future has been in jeopardy since the sudden loss last July of a lucrative contract to manage a £3.5bn investment portfolio for the oil-rich Sultanate of Brunei in South-East Asia.

The contract had earned about £4m a year and made the difference between passable profit and a large and embarrassing loss. Without it, the Crown Agents was forced to turn to the Government for refinancing of debt payments.

Rather than simply bail it out, the Government decided to take a critical look at its operations.

The Crown Agents has seemed anomalous since Britain began to give colonies independence in the 1950s. Since the early 19th century, the organisation had operated as procurement agents for Britain's colonial administrations around the world, but over the past 30 years new roles have been sought.

In the quest for new activities, it became heavily involved in the late 1960s in property speculation and secondary banking. But the collapse of Britain's property market in 1974 found it with losses of £212m. A Government rescue cost the taxpayer £175m, although much of this has been recovered.

Financial services grew in importance through the 1970s and for some time seemed likely to provide the Crown Agents with the profit-generating foundations that the organisation sought. The loss of the Brunei contract dashed hopes in this direction.

Strong convictions inside the Government that public sector bodies ought to be privatised if possible—and in any case ought to be self-financing—have provided an intimidating backdrop for officials at the Crown Agents.

It became clear, however, that the Ministry of Overseas Development and the Foreign Office, together with business organisations such as the Confederation of British Industry, were opposed to either abolishing the Crown Agents or hiving off operations.

Against them, the Treasury and some influential Conservative MPs argued that virtually everything the Crown Agents did could be done as well—and better—in the private sector.

Two developments paved the way for this week's compromise. First, Mr Peter Graham, the new senior Crown Agent, drew up plans for a reorganisation leading towards privatisation. Mr Graham is deputy chairman of Standard Chartered Bank and is seen by Mrs Thatcher to be a vigorous broom likely to sweep the Crown Agents spotlessly clean.

Second, Morgan Grenfell, the London merchant bank, was called in to provide an outside view on whether the Crown Agents could be successfully privatised and whether its targets for return to profits were realistic. Morgan Grenfell reported two weeks ago that Mr Graham's proposals were "soundly based and achievable."

It noted that certain areas of operation appear to be vulnerable and that a return to profits would require a high degree of drive and determination from the staff. But the overall endorsement of Mr Graham's plans tied the Treasury's hands.

Mr Graham has been instructed to press on with reorganisation, which means cutting the workforce by a further 300.

It also means selling the imposing headquarters overlooking the Thames, which could raise £10m, and trim borrowings from the present level of £19.8m.

Controversially, the reorganisation means diluting pension rights of Crown Agents' staff, thought necessary because civil service pensions are more generous than those in private sector industry and could be an obstacle to privatisation.

The Government is reconciled to losses this year and next, but expects the Crown Agents to be fully profitable by 1986. It is waiving interest on commencing capital debt this year amounting to £2.2m and plans to seek approval for any waiver necessary in 1985 and 1986.

Interview, Page 17

TREND OF INDUSTRIAL PROFITS
ANALYSIS OF 103 COMPANIES

THE RECOVERY in corporate profits continues apace, according to the published earnings of 103 companies with financial year-ends between April 1 and June 30, 1983.

This is the main feature to emerge from the latest profits table compiled from companies in the commercial and industrial sectors covered by the FT Actuaries. The detailed figures, given below, are in £m, with the previous year's figures in brackets.

Broadly, both the capital goods and consumer goods sectors are showing similar profit increases of almost 20 per cent and 18 per cent respectively, with the financial sector ostensibly leading the pack with a 42 per cent advance.

This last figure is slightly misleading because of the predominance of property companies with a flat earnings profile being totally overshadowed by other financial institutions whose profits almost doubled.

Investment trusts and mining finance houses, not included in the categorised financial group, showed profit increases of almost 10 and 18 per cent respectively, with overseas traders showing declines of 15 per cent.

Best performers in the capital goods sector were contracting and construction companies and electrical and electronics companies, with earnings rises ranging from 24 per cent to 31 per cent. Against this, mechanical engineering companies showed an almost 8 per cent downturn in profits.

On the consumer side, the increases were widespread, with packaging and paper companies the only identifiable companies to show a profits cut. Advances came from brewers and distillers, both food manufacturing and food retailing companies, the publishing sector, and stores, with increases ranging from 13 per cent to 45 per cent.

The total industrial group showed profit rises averaging 18.6 per cent.

INDUSTRY	No. of Cos.	Turnover (1)	Profits before int. & Tax (2)	Pre-tax Profits (3)	% chnge	Tax (4)	Earned for Ordinary Dividends (5)	% chnge	Ord. dividends (6)	% chnge	Cash Flow (7)	Net Capital Employed (8)	Net Return on Cap % (9)	Net Current assets (10)
BUILDING MATERIALS	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	— (—)	— (—)	—	— (—)	— (—)	— (—)	— (—)
CONTRACTING, CONSTRUCTION	4	737.8 (565.2)	86.4 (73.8)	69.1 (55.6)	+24.3	23.1 (12.4)	45.8 (43.2)	+6.0	17.1 (12.3)	+39.0	33.4 (34.9)	393.8 (297.4)	21.9 (24.8)	274.2 (196.2)
ELECTRICALS	5	126.0 (109.6)	15.6 (12.1)	14.3 (10.7)	+33.6	5.8 (4.1)	8.4 (6.6)	+27.3	3.3 (2.8)	+17.9	7.7 (6.1)	60.9 (55.1)	25.6 (22.0)	33.9 (28.3)
ELECTRONICS	3	1,229.9 (1,078.2)	170.9 (136.8)	155.5 (118.7)	+31.0	64.8 (64.1)	87.7 (53.2)	+64.8	26.5 (22.7)	+16.7	91.1 (58.1)	484.4 (424.1)	35.3 (32.3)	397.4 (326.2)
MECHANICAL ENGINEERING	7	909.6 (873.6)	55.0 (58.7)	39.3 (42.6)	—7.7	20.7 (19.9)	18.1 (21.6)	—16.2	10.3 (10.7)	—3.7	27.2 (28.3)	446.5 (445.8)	12.3 (13.2)	193.3 (190.3)
METALS AND METAL FORMING	1	66.6 (70.2)	1.6 (2.7)	0.6 (1.4)	—57.1	— (0.3)	0.5 (0.9)	—44.4	0.2 (0.2)	—	2.1 (2.7)	30.0 (41.0)	5.3 (6.6)	11.0 (13.4)
MOTORS	—	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
OTHER INDUSTRIAL MATERIALS	2	175.3 (166.5)	8.7 (11.1)	5.9 (8.6)	—31.4	0.2 (0.6)	5.4 (6.8)	—20.6	2.6 (2.4)	+8.3	7.5 (9.1)	88.5 (66.2)	9.8 (12.9)	32.1 (28.9)
TOTAL CAPITAL GOODS	22	3,245.2 (2,865.6)	338.2 (295.2)	284.7 (237.6)	+19.8	114.6 (101.4)	165.9 (132.3)	+25.4	60.0 (51.1)	+17.4	169.0 (139.2)	1,504.1 (1,349.6)	22.5 (21.9)	941.9 (783.3)
BREWERS AND DISTILLERS	5	1,118.4 (1,052.0)	115.1 (100.0)	97.4 (76.7)	+27.0	34.5 (29.0)	61.0 (46.5)	+31.2	22.0 (19.3)	+14.0	66.1 (53.6)	735.8 (740.4)	15.6 (13.5)	158.8 (136.1)
FOOD MANUFACTURING	6	8,124.5 (7,408.0)	354.4 (321.3)	270.7 (238.4)	+13.5	81.1 (65.4)	162.8 (148.8)	+9.4	55.3 (50.7)	+9.1	217.0 (187.7)	1,856.0 (1,650.2)	19.1 (19.5)	501.8 (490.3)
FOOD RETAILING	4	2,717.2 (2,610.8)	105.2 (81.9)	100.8 (77.2)	+30.6	36.3 (28.5)	64.0 (48.1)	+33.1	23.9 (18.4)	+29.9	63.8 (52.2)	350.4 (313.1)	29.5 (26.2)	—13.8 (4.5)
HEALTH AND HOUSEHOLD PRODUCTS	2	1,293.0 (1,080.9)	194.2 (153.4)	179.8 (137.7)	+30.6	73.0 (54.0)	104.9 (82.6)	+27.0	66.7 (25.0)	+166.8	102.1 (83.0)	669.7 (592.0)	29.0 (25.9)	300.1 (198.6)
LEISURE	2	145.5 (108.7)	14.7 (10.6)	12.3 (8.7)	+41.4	4.1 (3.0)	8.1 (5.7)	+42.1	1.4 (1.2)	+16.7	15.5 (12.7)	37.4 (29.6)	39.3 (35.5)	3.3 (1.8)
NEWSPAPERS, PUBLISHING	3	382.8 (364.6)	22.3 (17.4)	19.1 (13.1)	+45.8	5.5 (4.0)	18.2 (9.0)	+102.2	4.0 (3.2)	+25.0	14.6 (9.9)	72.3 (64.8)	30.9 (26.9)	19.9 (14.7)
PACKAGING AND PAPER	2	1,856.3 (1,742.7)	102.9 (116.9)	75.8 (91.3)	—17.0	28.0 (10.7)	47.3 (80.4)	—41.2	16.5 (16.3)	+1.2	74.6 (100.9)	879.1 (852.6)	11.7 (13.7)	285.8 (325.1)
STORES	6	1,109.1 (704.2)	99.4 (81.2)	91.7 (70.9)	+29.3	38.0 (22.9)	47.3 (47.5)	—0.4	20.3 (18.2)	+11.5	57.7 (54.7)	420.7 (386.4)	23.6 (21.0)	151.2 (123.8)
TEXTILES	1	30.0 (27.3)	7.6 (6.2)	7.6 (6.2)	+22.6	2.8 (2.2)	4.8 (3.9)	+23.1	1.2 (1.0)	+20.0	4.8 (4.2)	20.4 (16.7)	37.3 (37.1)	10.6 (7.9)
TOBACCOS	—	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
OTHER CONSUMER	2	171.7 (157.3)	10.7 (14.2)	7.2 (11.0)	—34.5	2.6 (3.8)	4.6 (7.2)	—36.1	2.1 (2.0)	+5.0	6.4 (6.9)	84.8 (80.7)	12.6 (17.6)	40.3 (39.7)
TOTAL CONSUMER GRP	33	16,948.5 (15,266.5)	1,084.5 (903.0)	862.4 (731.2)	+17.9	305.9 (235.5)	523.0 (479.7)	+9.0	213.4 (155.3)	+37.4	622.6 (568.0)	5,126.5 (4,726.5)	20.0 (19.1)	1,458.0 (1,342.5)
CHEMICALS	2	71.3 (65.0)	15.4 (13.2)	14.8 (12.5)	+18.4	6.1 (5.5)	8.7 (7.0)	+24.3	2.0 (1.7)	+17.6	9.3 (7.5)	44.8 (36.4)	34.4 (36.3)	15.4 (12.3)
OFFICE EQUIPMENT	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
SHIPPING AND TRANSPORT	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
MISCELLANEOUS	4	250.1 (177.2)	22.8 (16.5)	17.7 (13.2)	+34.1	6.6 (5.2)	10.4 (7.6)	+36.8	4.5 (3.3)	+36.4	23.9 (17.7)	120.9 (88.7)	18.9 (18.6)	44.9 (33.4)
TOTAL INDUSTRIAL GRP	39	20,495.1 (18,374.3)	1,400.9 (1,227.9)	1,179.6 (994.5)	+18.6	433.2 (335.5)	708.0 (626.6)	+13.0	279.9 (211.4)	+32.4	824.8 (732.4)	6,796.3 (6,201.2)	20.6 (19.8)	2,460.2 (2,171.5)
OILS	1	3.8 (1.6)	0.5 (—0.1)	— (—0.2)	—	— (—)	— (—0.3)	—	0.1 (0.1)	—	0.1 (—0.3)	11.2 (11.7)	4.5 (—)	0.6 (0.7)
BANKS	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
DISCOUNT HOUSES	5	— (—)	— (—)	— (—)	—	— (—)	24.0 (4.7)	+410.6	7.5 (5.6)	+33.9	— (—)	*2,090.1 *(1,395.4)	— (—)	85.2 (51.3)
INSURANCE (LIFE)	—	— (—)	— (—)	— (—)	—	— (—)	— (—)	—	— (—)	—	— (—)	— (—)	— (—)	— (—)
INSURANCE (COMPOSITE)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
INSURANCE BROKERS	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)	— (—)
MERCHANT BANKS	1	— (—)	— (—)	— (—)	— (—)	— (—)	1.1 (1.1)	— (—)	0.3 (0.3)	— (—)	— (—)	*15.7 *(14.1)	— (—)	10.5 (11.8)
PROPERTY	14	— (—)	73.1 (70.0)	52.1 (51.6)	+1.0	17.5 (13.9)	34.2 (35.2)	—2.8	16.4 (14.7)	+11.6	20.7 (23.7)	787.5 (717.3)	9.3 (9.8)	51.8 (65.5)
OTHER FINANCIAL	4	— (—)	80.2 (38.8)	73.6 (36.9)	+99.5	35.1 (17.3)	36.5 (18.7)	+95.2	13.8 (8.0)	+72.5	30.9 (16.1)	249.3 (151.0)	32.2 (25.7)	86.8 (4.5)
TOTAL FINANCIAL GROUP	24	— (—)	153.3 (108.8)	125.7 (88.5)	+42.0	52.6 (31.2)	95.8 (59.7)	+60.5	38.0 (28.6)	+32.9	51.6 (38.8)	†1,036.8 †(868.3)	14.8 (12.5)	244.3 (143.1)
INVESTMENT TRUSTS	15	— (—)	52.3 (42.0)	40.7 (37.1)	+9.7	15.4 (13.7)	25.0 (23.0)	+8.7	24.4 (22.6)	+8.0	0.6 (0.5)	1,360.0 (836.5)	3.8 (4.7)	—37.8 (3.2)
MINING FINANCE	1	938.0 (1,044.2)	124.4 (109.0)	88.0 (74.4)	+18.3	34.0 (13.9)	53.8 (59.9)	—10.2	45.8 (45.8)	—	44.5 (48.8)	1,009.8 (932.4)	12.3 (11.7)	56.0 (108.1)
OVERSEAS TRADERS	1	271.4 (311.0)	27.0 (38.5)	26.5 (31.0)	—14.5	11.8 (15.0)	13.1 (14.4)	—9.0	3.3 (3.1)	+9.5	15.7 (15.5)	198.6 (144.4)	13.6 (26.5)	60.3 (52.8)

NOTES ON COMPILATION OF THE TABLE

The classification is that of the Institute and Faculty of Actuaries used in the daily Financial Times—Actuaries Indices.

Col. 1 gives turnover, exclusive of VAT unless otherwise indicated.

Col. 2 gives profits before interest and taxation, that is to say profits after all charges except loan and other interest but before deducting taxation provisions and minority interests.

N.B.—Certain companies, including merchant banks, discount houses, insurance and shipping companies are exempted from disclosing the full information required under the Companies Act 1948.

Col. 3 gives Pre-tax Profits, that is to say profits after all charges including debentures and loan interest but before deducting taxation provision and minority interests.

Col. 4 groups all corporation taxation including Dominion, Colonial and Foreign liability and future tax provisions but excluding adjustments relating to previous years.

Col. 5 gives the net profits accruing on equity capital after meeting—

1—Minority interests.

2—All prior charges—sinking fund payments, etc., and Preference dividends and

3—Provisions for staff and employees pensions funds where this is a standard annual charge against net revenue.

Col. 6 sets out the net cost of dividend on equity capital.

Col. 7 is the capital generated internally over a year's trading. For the purposes of comparison equity earnings plus depreciation less equity dividends is the recognised method of computing this figure.

Col. 8 constitutes the total net capital employed. This is the total of net fixed assets—excluding intangibles such as goodwill—plus current assets less current liabilities, except bank overdrafts.

* For merchant banks and discount houses a more realistic figure to quote is the balance-sheet total.

Col. 9 represents the net return on capital employed. Col. 2 as a percentage of Col. 8 provides an indication of average profitability.

† Excluding merchant banks, discount houses and insurance (life and composite).

Col. 10 net current assets are arrived at by the subtraction of current liabilities and provision from current assets.

‡ No figures given.

NGA makes 'model' pact with publisher on new technology

BY DAVID GOODHART, LABOUR STAFF

THE National Graphical Association has signed a new agreement with the publishers of London Portrait, the largest free magazine in Europe, which the union is likely to hold up as a model single-keystroking deal for the sector.

The union has been criticised by employers over the past months for its apparently confused position on single-keying—the direct input of copy from journalists and advertising staff to computerised typesetting.

It has threatened to pull out of some agreements for single-keying for magazines while accepting others, while also appearing to adopt a more flexible position in the negotiations for single-keying in the provincial Press.

The new agreement with European Courtesy Magazines Group, publishers of the 70,000-copy magazine, does not provide for direct-input by non-NGA staff. But it does allow the transmission of copy by telephone from a visual display unit direct to computerised typesetting.

The key to the agreement—from the union's point of view—is that two NGA staff will be employed at the London Portrait offices to type reporters' copy into the VDUs.

This "compromise" deal—stopping short of a full direct-input but still allowing considerable advantages over conventional methods—could be taken up by a number of publishing companies. McLean Hunter are talking to the NGA about a similar deal which could provide an important new source of employment to union members and ease anxieties about single-keying.

London Portrait will be typeset and printed at Chase Web Offset of St. Austell, Cornwall. The printing had previously been done in the Netherlands—another reason the NGA is happy with the agreement.

The union has had a single-keying agreement for two years with the small employers' body RAGA, based on bringing work into the country which might otherwise have gone abroad.

It claims that some employers have used that agreement to transfer existing work to single-keying and has recently demanded that Commercial Graphics, of Derby, return to conventional methods — so far without success.

The British Printing Industries Federation, the main employers' body, continues to complain about the uncertainty but union officials say that a survey of the effects of single-keying on the industry suggested by the NGA has been ignored.

More ship workers sign production deal

BY DAVID BRINDLE, LABOUR STAFF

MANUAL workers at the Sunderland shipyard of Austin and Pickersgill yesterday signed agreements on working practices to qualify for British Shipbuilders' £7a-week productivity payment.

With boilermakers at Neighbouring Sunderland Shipbuilders having also agreed a deal on Thursday, opposition among BS yards is now confined to 600 boilermakers at Smith's Dock, Midlesborough; the offshore yard of Cammell Laird on Merseyside; and the three major warship builders of Yarrow on the Clyde, Vickers at Barrow-in-Furnes and Vosper Thornycroft on the south coast.

The Austin and Pickersgill deal came two weeks after the official deadline set by BS for acceptance and qualification for backdating to November 1 of the £7 payment. It was believed that the 1,500 manual workers would still receive the back pay.

Mr George Parker, managing director of the BS subsidiary, said agreements reached with the workforce were stronger for having been negotiated at length.

BS received a setback yesterday, however, when 2,000 boilermakers at Swan Hunter on Tyneside walked out for the day in a dispute over local payments. Swan has reached agreements on working practices, but is behind schedule on the £40m order for the Atlantic Conveyor replacement.

The boilermakers voted unanimously to strike for a day and to ban overtime. This was in protest at claimed changes in procedure for fixing ad-hoc allowances for working in confined spaces.

They said shop stewards and junior management had traditionally negotiated payments of between 10p and £1 an hour for men working in extremes of heat or cramped conditions.

Mr Denis Shadbolt, Swan personnel director, had, they maintained, now insisted that proposed payments of more than 10p should be referred to him.

Dr Ken Chapman, managing director of the subsidiary, commenting before the overtime ban was imposed, said any action would be "stupid" and would do nothing to help the yards win much-needed orders.

Significant opposition to Revenue computer deal

BY JOHN LLOYD, INDUSTRIAL EDITOR

EARLY RETURNS from a ballot of the 58,000 staff of the Inland Revenue show considerable opposition to an agreement to bring in new technology, though union leaders still expect a majority vote in favour next week.

The deal was approved in principle by the executive of the Inland Revenue Staff Federation last week and recommended to members. It has been accepted overwhelmingly by staff at the Wolverhampton office, where a number had refused to work computerised systems and some were suspended. Only 25 of the 375 employees voted against.

In the rest of the country the response has been less decisive. A significant number have appeared to be convinced by a campaign by union Left-wingers against the deal. The campaign claimed that the executive had not extracted sufficient concessions from the Inland Revenue Board.

In the agreement the Revenue has undertaken to avoid compulsory redundancies as far as possible. The introduction of computerised equipment is being designed to stress the flexibility of work patterns. Managers and union representatives are expected to work together to determine how best it would operate.

It is the first such agreement in the Civil Service, and is being seen as a breakthrough. The Revenue, however, offered no concessions in pay or regrading in return for its introduction, and it is this which appears to have caused some dissatisfaction among some IRS members.

POEU and UCW take steps towards merger

BY DAVID GOODHART

IMPORTANT steps have been taken towards the long-debated merger between the Union of Communication Workers and the Post Office Engineering Union.

The 130,000-strong POEU, the main craft union in British Telecom, has previously shunned the prospect of merging with the 200,000-strong UCW, the general union which dominates the Post Office. But in the past few weeks firm proposals on the setting up of a joint council have been accepted in principle by both unions.

The council would act as a standing committee on merging, a forum for common problems and a channel for the pooling of resources.

Full merger is still some way off but the new council makes it a real possibility for the first time. UCW officials believe that the change in attitude from the POEU stems from the common threat of BT privatisation and the joint industrial action against BT last year.

The next major step in the continuing rationalisation of union organisation in BT and the Post Office will come early next year, when the 40,000 members of the Civil and Public Services Association in BT are expected to back a merger with the POEU.

That will leave two management unions plus the UCW and POEU in the industry. Mr Alan Tuffin, general secretary of the UCW, said yesterday that the joint council plans were broadly in line with proposals on union organisation spelt out in the recent TUC strategy document.

He emphasised that while the council could lead to joint provision of some services, it would not interfere with separate bargaining arrangements.

Reports on these developments will be going to both union conferences.

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Living with optimism

LONDON

ONLOOKER

In the week when Imperial Chemical Industries reports its full year figures everything else is usually pushed into the back seat. And this time round was no exception. Ahead of Thursday's ICI results the London market remained quiet. There was of course the odd flourish of activity here and there; the financial sector for example attracted a lot of interest early in the week following the National Westminster tie-up with jobbers Biscood Bishop and Mercantile House's agreed deal with *Alexanders Discount*. But for the most part institutions sat on their hands.

Perhaps one of the most noticeable trends of the week was the way in which the City was proven over-optimistic in its forecasts for most of the leading companies.

Commercial Union surprised the market by bringing its results forward by a week. The announcement late on Tuesday that investors could expect CU to publish full results the next morning steeled nerves for a dismal showing. Just as well, for the pre-tax profit of £9.3m *against £21.5m was at least £30m* below most expectations.

The forecasters were also too high for STC, and Plessey also disappointed but where the analysts were really caught out was ICI. Not that any of these *results could really be described* as disappointing in terms of actual performance. More to the point, the City's forecasts are simply getting a little over-heated.

Gilt-edged stocks meantime *were coasting along nicely* until the Inland Revenue dropped a bombshell late on Thursday. The tax men have decided that building societies will have to start paying corporation tax on their capital gains in gilt-edged securities.

The announcement threw the market into immediate confusion as society treasurers tried to make the most of their tax-free gains late on Thursday before the new rules took force yesterday morning. The only ones smiling quietly were the clearing banks which have been arguing *for some time that if* building societies want to act like High Street bankers they should be playing by the same tax rules as the banks.

ICI's £619m

It is hard to describe ICI's figures as disappointing. Pre-tax profits *in the final quarter* trebled taking the full year figure up to £619m against just £259m. But dealers immediately marked the shares lower anyway because many of the analysts had been thinking in terms of £625m to £630m. At one point on Thursday afternoon the shares were off 30p before *recapturing some ground* later on.

The recovery in ICI's fortunes is based partly on the new management's aggressive efforts to rationalise and cut costs and partly on a general world-wide improvement in the *trading* climate, together with more favourable foreign exchange rates. The latter boosted profits by *around £100m*.

Some of the more traditional highly cyclical businesses are still *under-performing*. Petrochemicals and plastics lost £7m in the year while fibres also lost £7m. But even so they are showing a strong recovery after combined losses in the previous year of £164m.

Elsewhere the non-cyclical interests, which now account for around 60 per cent of the business, continue to perform well. Trading profits from pharmaceuticals jumped by 44 per cent to £199m, largely thanks to the success of ICI's heart drug in the States.

Profits growth this year will continue to be impressive and the main question now is when ICI will reach the £1bn target set by the chairman, Mr John *Harvey-Jones. Profits for 1984* will probably come out over £850m, pointing to a prospective earnings multiple *of* around 7½. ICI might just get close to the magical £1bn in 1985 given a little bit of luck.

Buoyant STC

Standard Telephone and Cables also caught the market slightly wrong-footed this week. Whereas most outside forecasts were *pitched* in between £95m and £100m STC actually produced profits of £92.2 pre-tax. Still, the analysts are more often than not slightly off target with this one and there was barely a ripple of reaction visible *in* the share price.

After all, the figure compared to £64.3m, a growth rate of 43 per cent *or around* 32 per cent if acquisitions are stripped out. And the profits figure could easily have been bolstered by *just easing back a shade on the* group's giant capital spending and research and development programmes. In the year *capital* expenditure soared by 80 per cent to £60m while R and D spending rose by 42 per cent to £53m.

That aside, the picture emerging from its telecommunications business looks very encouraging. When STC dropped out of the System X project, the market's view was that the directors had traded a long-*term stake in a growing in*dustry for a steady, but relatively short lived, income flow from TXE4 digital exchanges. *That* image needs to be adjusted.

The most significant order STC has won recently is to modernise 70 or so TXE4 exchanges to provide many of the specifications available on System X. The *initial contract*, worth £30m, was announced earlier this month, but the hope is that £200m of business will eventually flow. It looks very much as if British Telecom will be a major STC customer for much longer than the market had feared.

Sir Kenneth Corfield, the chairman, told investors: "We *have doubled* in size during the past four years and we expect to double again during the next four years." With predictions like that coming out of STC House the relative price weakness in recent months looks a *touch overplayed*.

Beecham in Italy

Beecham Group strode into one of the most lucrative drug markets in the world this week with a £42.3m purchase of 83.8 per cent of Zambeletti of Italy. The Milan-based company is the 15th largest pharmaceuticals group in Italy and gives Beecham entry to the fifth largest market in the world. Italians *spend around* £2bn a year on drugs, about double the amount spent in the UK.

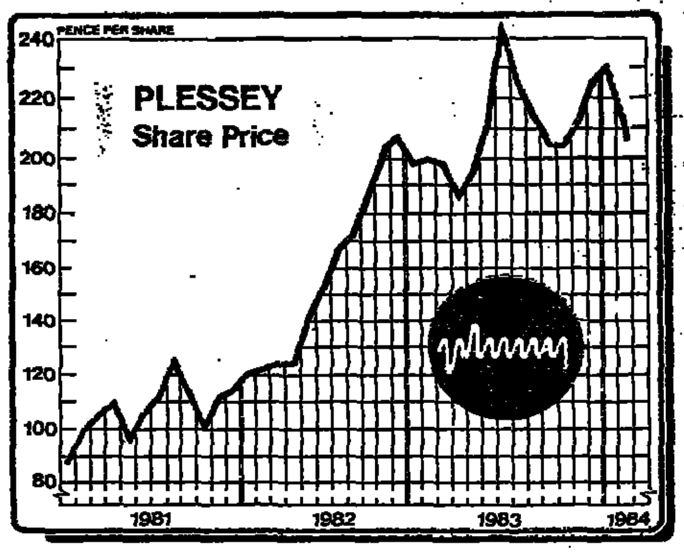
Lucrative Italy may be, but Beecham has been reluctant to become directly involved until now because of patent protection problems. Two years ago legislation was finally introduced allowing manufacturers to protect their products *from imitation and price increases* have been flowing far more regularly ever since.

The main attraction of Zambeletti *is* not so much its products base, though it has some good performers on its list, but *its marketing ability* which could be used to funnel Beecham's own brands into Italy.

On the face of it Beecham has struck a keen price with the Italian vendors. Based on Zambeletti's 1982 profits of £10.4m the exit p/e is under 9 taking a 45 per cent tax rate—way below the normal rating placed on drug companies.

Yet the Italian deal may not be at the bargain basement price it appears. While Zambeletti's profits showed a sharp increase in 1982, with margins at 28 per cent on sales, the record up till then was far more modest. If the group is to keep up its newly found aggressive pace it will need to tap Beecham's products. No doubt Beecham will be more than happy to supply its latest generation antibiotic, Augmentin, which so far has not taken off particularly well.

Plessey profits



The one surprise from Plessey this week was the way its share price reacted to the third quarter figures. The latest three months to December produced an £8.6m profits increase to £43.7m, lifting the full nine months by 22 per cent to £124.6m. The outcome was spot on market expectations and yet the shares fell 14p to 206p on the day of the announcement.

Everything seemed to be more or less as anticipated. Telecommunications inched ahead, with a 4.8 per cent advance to £52.3m for the nine months while in the U.S. Stromberg-Carlson is still tipping in some *red numbers. Plessey sounds* relaxed about Stromberg's £4.2m loss in the first nine months saying that since it was acquired in October 1982 it has been *performing* according to plan. Meantime orders for System X are building up.

Star performer was the electronics systems business where profits shot ahead by two-thirds to £27.9m thanks to export-led growth in military communications and radar.

So exactly why the shares nipped into reverse is hard to understand. Probably it was a reaction to what was absent from the statement rather than what was in it. Some investors had been hoping for bullish *comments over the progress of* System X. But even if Plessey failed to comply there is no reason to assume that negotiations over development and production are not right on track. Profits should still reach *the £180m or so this year which* has been the centre of most targets for some while.

Terry Garrett

MARKET HIGHLIGHTS OF THE WEEK

	Price y'day	Change on week	1983/4 High	1983/4 Low	
F.T. Ind. Ord. Index	815.8	− 0.4	840.5	598.4	Volatile but rallies late Friday
F.T. Gold Mines Index	656.6	+49.9	734.7	444.6	Weak dollar/Middle East tension
Bath & Portland	166	+13	166	98	Preliminary results
Border Breweries	218	+26	218	88	Counter-bid possibilities
Brockhouse	35	−12	48	21½	Details of Caparo rescue
Brown Shipley	455	+60	455	235	Takevore hopes
Burmah Oil	182	−11	200	125	Sea drilling failure
Cons. Gold Fields	605	+33	635	460	Firm bullion/gold shares
Dee Corporation	485	+33	485	240	Revived demand
Heath (C. E.)	326	−19	370	277	Shares overhanging the market
Hidong Estate	143	+58	150	43	Far Eastern support
Inch Kenneth Kajang	610	+100	643	270	Land development prospects
Lloyds Bank	590	+37	613	395	Broker's circular
Lonrho	154	+14	159	81	H. of Fraser stake speculation
Marston Thompson	67	+11	79	53	May couter-bid for Border
Metal Closures	172	+15	172	104	Speculative bid hopes
Pavilion Leisure	52	+15	92	13	Speculative demand
Smith St. Aubyn	62	+ 6	62	32	Takeover hopes
Valin Pollen	180	+23	195	140	Reuters launch advisors
Warld Hldgs.	97	+19	97	55	Excellent annual results

Down the mountain

NEW YORK

TERRY DODSWORTH

THE U.S. equity market has just notched up its seven consecutive week in free fall. This is the first time in three years that it has managed such an unenviable performance, and by the end of yet another devastating week for investors it was right back to the levels of almost a year ago.

The difference between these two dates is that the market had then caught a glimpse of the towering peaks which profits were about to climb; now it is wondering what is on the other *side of the mountain*.

Judged in terms of profits and dividends, the most widely held view on Wall Street is that the market is discounting a good 12 months ahead. While rising interest rates could bite into profits to a greater degree than many forecasters had expected earlier this year, most security houses are looking for net earnings increases of 15 per cent and over in 1984 on a year-on-year basis.

The performance against the *1983 figures is seen as steadily* tailing away towards the end of the year, but the current quarter is likely to show the strongest jump from a prior-year quarter during the recovery.

The continuing strength of the recovery, indeed, has become one of the present preoccupations of the market. Following last week's buoyant January retail sales figures, this week saw some equally runaway dur*able goods orders statistics*, showing a 1.1 per cent increase in January.

Their publication early on Thursday did nothing to help an early bout of panic in the bond markets, when the key 8 *per cent long bond fell by* virtually a point to push its yield up to 12.18 per cent—a level not seen for over a year, except for a freakish one-day blip last December.

Short-term rates moved in sympathy — 6-month Treasury Bills rose by 13 basis points to 9.43 per cent at one point—until helpful money supply figures, showing a rise of only $300m in M1 against an expected $1bn, reduced the selling pressure.

None of this was helped by Dr Henry Kaufman, Salomon Brothers' economic guru, who has now got the bearish interest rate bit firmly between his teeth again. On the same day, he told businessmen that long term rates could rise to the same sort of levels—ie, around 15.25 per cent—in this business cycle as in the last, and for good measure predicted some tightening of money supply by the Federal *Reserve Board within* the next 60 to 90 days.

Dr Kaufman has recently been out of favour in a market that has been drunk on good news. But investors have now woken up with a sizeable head*ache. If interest rates* are forced to rise to accommodate both the Government deficit and the rising demands of industry *foreseen by Dr Kaufman*, the recovery could well begin to be choked off towards the end of the year.

If, on the other hand, the Fed decides to monetise the Government's debt, the old inflationary cycle could ensue, undermining the quality of profits and forcing up long term rates whatever the Fed tries to do.

The jitters in the debt markets caused by these uncomfort*able alternatives* naturally gives little support to equities: even after the precipitous 152 fall since January 6, the yield on the S and P 500 stands only at around 4.8 per cent, leaving the yield gap pretty much *where it started before* the similar re-evaluation that has occurred in debt instruments.

The dollar also made an unwelcome contribution to weakening sentiment in New York as it fell further against *the D-Mark during* the week.

On Wednesday, it dropped by 4 pfennigs despite fears that Western oil supplies might be threatened by the war between Iran and Iraq — for the first time in many months, gold seemed to be recapturing its traditional role as the haven of *funk money, while the dollar*, which has borne most of the strain for some time, failed to climb in the recent pattern.

Very few front-line stocks have managed to withstand this broad retreat, which knocked the Dow Jones Industrial Average back by almost 15 points in the first four days last week to 1134.63, while the broader-based S & P 500 *index slid more* cautiously down by 0.35 points to 154.29.

IBM, the market flagship, continued to drift, with its shares dipping below $110 despite a flood of new product orders

Chrysler's record profit figures were similarly rewarded with a $½ fall in the share price to $26½—some *$10* off the 12-month high—as though good news only concentrates the market's attention on the fact that it cannot last indefinitely.

Even the takeover and merger scene, which has been so lively *over the last two years*, may well lose some of its sparkle following the Justice Department's opposition to the LTV/Republic Steel merger.

The Gulf/Mesa situation is still providing excitement in the oil sector, and investors' interest in the St Regis forest products group has been stirred by the news that Sir James Goldsmith has taken an 8 *per cent stake*.

But some anti-trust experts believe the Department's action may have been partly designed to fire a warning shot across the bows of the merger brokers before takeovers become an election issue

Meanwhile, the market itself may be no small election issue for an administration which has made a large section of the population feel more wealthy with the rise in the value of their financial assets. Around 10m new investors have come into the stock market over the last two years; and many of those who joined up a year ago can not have made a cent out of it.

	Market close	
MONDAY		
TUESDAY	1,139.34	−9.5
WEDNESDAY	1,134.21	−5.1
THURSDAY	1,134.63	+0.4

Requirement to change meters

BY OUR LEGAL STAFF

I would be glad of your advice on a leasehold flat one of three, that had been converted in a large house which I bought four years ago on a new 9-year lease. The flat contains gas and electricity slot meters and I had to pay the landlord cash every three months and put coins in, which I greatly disliked but put up with. Now the freeholder (landlord) is selling to another and has told me that the new owner intends making me do the conversion to normal meters, as he does not want to be bothered in emptying them. What I want to know is, can he make me, at great expense do the conversion?

We think that your landlord cannot require you to change the meters. You can offer to permit him to change them at his expense, making good any damage thereby caused, but require that he take no steps to disturb your supply without his agreeing in those terms.

Indexation and identification

I should be most grateful if you could advise on the methods of calculating capital gains taking into account the indexation calculation. In particular I purchased 100 Rand fontein gold shares on November 27 1978 and now wish to calculate my capital gain. The purchase price was £30¼ and assuming a sale at £92 could you please show the method of calculating the capital gain?

I may wish to repurchase the shares and understand that to do this with minimum risk of a price "movement" I will have to sell on the last day of an account period and repurchase on the first day of the new account. In the case of such transactions should the sale and repurchase dates be shown on my tax return as the date the deals were made or the date of settlement.

Finally if I purchase 50 Rand fontein shares before selling and repurchasing my current 100 shares (or indeed if I did not sell and repurchase my existing shares) when I actually sell 50 Rand fontein shares would this be regarded as coming from the last or first purchase of shares?

Could you also possibly recommend any pamphlet or publication which deals with this subject in an easily understood manner.

Divide the RPI for the month of the sale contract by 313.4 (rounding the answer to three decimal places) and multiply the answer by the cost of the shares. Unfortunately the RPI in question will not be known until around the middle of the following month: the December RPI, for example, was published on Friday January 20, as you will have seen from the front page of the FT next morning.

As an alternative to a Friday sale and Monday purchase (over the end of an account), your broker will doubtless be able to arrange, say, a Monday sale for cash settlement (on Wednesday) and a Tuesday purchase. This procedure means that the share certificate must be in your broker's office in good time, for delivery on the day contracted for.

In your tax return, you should show both the contract dates and the settlement dates.

If you purchase a further 50 shares before making a sale, then any sale will be regarded as coming out of that second purchase first (unless, for example, that purchase was for account settlement and the sale was for cash settlement and was made at least three business days before Account Day for that second purchase).

A brief outline of the intricate rules is obtainable from your tax inspector: ask for pamphlet CGT12 (Indexation). Unfortunately it skates round many of the problems which Parliament created, when approving the wording of sections 86 to 89 of, and schedule 13 to, the Finance Act 1982.

Gift or sale to wife

I have re-read your advice "Alternative to Bread and Breakfast" (April 9, 1983) and as a corollary will you please advise me on the following:

I have been issued with a considerable number of script shares:

1. **If I renounce these in favour of my wife can she take them into her portfolio at the current price?**
2. **Can I take this as a disposal on my capital gains for one year ending April 5, 1984?**
3. **Can it be a "gift" or does it have to be "sale"? My wife and I have not opted for separate taxation.**

The answers are:
1—No, she takes them at a proportion of your cost;
2—Yes, but it produces neither a gain nor a loss;
3—It makes no difference. The provision which frustrates your scheme is to be found in sections 44 (1) and 155 (2) of the Capital Gains Tax Act 1979.

Water damage to property

The level of my kitchen, hall and especially to steps leading down to the cellar, now a garage, lie below the path and entrance to the next-door house. There has been no water trouble (my house built in 1903) until an undetected blocked drain was finally discovered when I had an inundation of sewage, worms and water into my kitchen, steps and garage. The drains have now been cleared but I am still getting water mixed with sand seeping through my cellar steps and, due to the water and the pressure, the wall covering of plaster has come away in lumps. Have I any redress? I would like to take some action through the County Court (small claims) by myself to compel my neighbour to seal my outside wall, but am I right in thinking that action on these lines is confined to sueing for bills incurred? If so, must I go to a solicitor for a County Court injunction when, win or lose, I shall incur considerable expense?

You may have a cause of action against your neighbour for nuisance, but that will depend on the cause of the continuing seepage. You are correct in thinking an injunction should be sought (together with a claim for damages) and that this can be pursued only in the County Court or the High Court. You should consult a solicitor. The risk you run as to costs may be quantified if you are eligible for Legal Aid.

Can shares be transferred from a settlement to an individual beneficiary without a capital gain arising if the beneficiary agrees to "hold over" the gain?

Yes, by virtue of section 82 (1) of the Finance Act 1982.

Trespass and nuisance

My neighbours moved in about 18 years ago and soon afterwards started to terrace their garden and in doing so filled in the cavity in my land next to my garage, despite my telling them not to do so, piling up grass and earth against my garage up to 6 ft high. As a result, water is running through my garage when it rains. Not only this but a surveyor reports that the infill is giving a horizontal pressure against the wall which will increase as it settles and in time the wall will crack and bulge inwards. What, please, are my legal rights?

I am a pensioner.

You appear to have valid claims against your neighbour for tresspass and for nuisance. If you are to obtain the full redress to which you are entitled you will need to seek an injunction as well as to claim damages. The claim would lie in the County Court, and you should consult a solicitor with a view to getting Legal Aid to pursue the claims as soon as possible.

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Busting nanny's trust

I refer to your reply under Busting nanny's trust (December 31). I am helping an elderly friend who is the remaining life tenant of a house bequeathed to a charity. The sole trustee is a bank, and we are not looking forward to getting their bill in due course. Am I to understand that my friend and the charity could, without consulting the bank, agree to sell the house now, to give my friend the income on the capital until her death, while she resides elsewhere? What sort of letter should be sent to the bank's trustee department to terminate the trust? The bank probably hold the deeds.

It is possible to do as you suggest by terminating the trust and dividing the fund in agreed proportions between the tenant for life and charity. It is, of course, vital that no one else should have a contingent interest. There is a variety of ways in which to document the termination of the trust, eg a deed by which the tenant for life disclaims and surrenders her interest to the remainderman. The bank should be shown the deed and then required to transfer the trust fund to those entitled.

The Investment Trust Table

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

Columns (1)–(6): as at close of business on Monday 20th February 1984. Columns (7)–(12): as at 31st January 1984.

Total Net Assets (1) £ million	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) pence	Yield (5) %	Net Asset Value (6) pence	Geographical Spread: UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) base=100	Total Return on N.A.V. over 5 years to 31.1.84 (12) base=100
	CAPITAL & INCOME GROWTH										
99	Aberdeen	Aberdeen Fund Managers	133	4.9	170	68	27	3	2	104	236
338	Alliance Trust	Independently managed	508	3.5	658	38	47	10	5	96	262
54	Anglo Scottish	C S Investments	129	2.9	149	47	44	2	7	96	270
77	Bankers	Touche, Remnant	142	4.2	189	56	30	10	4	109	286
174	Border & Southern	John Govett	131	3.4	174	44	23	23	10	103	234
56	British American & Gen.	Kleinwort Benson	86	4.3	103	45	40	10	5	103	229
249	British Investment	Independently managed	283	5.5	393	49	38	13	–	89	229
61	Brunner	Kleinwort Benson	61	4.3	79	45	39	5	11□	101	274
47	Cardinal	F & C Management	159	3.3	185	48	22	13	17	90	+
68	Charter Trust & Agency	Kleinwort Benson	61	4.6	83	53	31	11	5	100	259
103	Continental & Industrial	Schroder Wagg	432	5.1	591	55	43	–	2	104	265
144	Drayton Premier	Montagu Inv. Man.	324	5.1	457	52	29	16	3	97	+
376	Edinburgh Investment	Independently managed	96	3.7	118	46	36	9	9	107	303
95	First Scottish American	Independently managed	206	3.5	266	43	36	19	2	106	244
463	Foreign & Colonial	F & C Management	110	2.9	143	39	30	23	8	109	+
46	General Consolidated	Philip Hill	192	5.7	246	58	37	–	5	96	267
556	Globe	Electra House Group	232	5.2	297	64	22	8	6	95	233
249	Philip Hill	Philip Hill	195	5.5	257	71	26	–	3	93	262
7	Jos Holdings	Kleinwort Benson	100	4.3	108	69	25	6	–	105	260
22	London & Lennox	Gartmore	97	2.9	117	36	47	12	5	100	276
57	London & Lomond	Gartmore	104	3.0	127	46	45	5	4	123	279
26	London & Strathclyde	Gartmore	140	2.4	162	49	40	4	7	116	299
35	Meldrum	Gartmore	145	3.9	173	74	26	–	–	100	348
66	Nineteen Twenty-Eight	Philip Hill	156	4.8	177	49	45	–	6	95	237
113	Northern American	Independently managed	224	3.4	294	40	38	20	2	107	249
79	Outwich	Baring Brothers	106	3.2	138	57	21	13	9	117	247
99	Raeburn	Lazard Brothers	245	4.9	330	52	30	12	6	97	233
62	River & Mercantile	Rivermoor	104	6.0	131	65	17	12	6	100	283
36	River Plate & General	Percy Tarbutt	171	5.2	223	72	15	1	12	106	262
350	Scottish Mortgage	Baillie, Gifford	296	3.0	378	34	36□	25□	5	104	294
164	Scottish National	Gartmore (Scotland)	174	3.2	233	48	36	9	7	107	261
117	Scottish Northern	Paull & Williamsons	109	4.0	151	61	31	3	5	107	227
112	Second Alliance	Independently managed	432	3.7	570	38	47	10	5	98	264
116	Securities Trust of Scotland	Martin Currie	89	4.9	128	56	29	14	1	111	237
386	TR Industrial & General	Touche, Remnant	124	3.6	170	41	22	27	10	104	256
288	Witan	Henderson	123	2.8	165	48	27	17	8	106	261
	United Kingdom										
9	City of Oxford	Hambros Bank	170	5.1	210	96	1	–	3	100	267
26	Fleming Claverhouse	Robert Fleming	197	5.4	265	100	–	–	–	98	293
22	New Court	N M Rothschild	322	6.1	420	96	2	1	1	106	+
+	Shires	Independently managed	192	8.8	+	+	+	+	+	+	+
85	TR City of London	Touche, Remnant	62	6.2	87	89	9	–	2	99	255
67	Temple Bar	Electra House Group	91	6.6	116	95	–	–	5	92	†
	CAPITAL GROWTH										
	General										
183	Anglo-American Securities	Morgan Grenfell	240	3.2	311	40	28	22	10	107	259
48	Ashdown	Schroder Wagg	346	2.9	437	50	33	10	7	92	260
136	Atlantic Assets	Ivory & Sime	82	0.5	109	32□	62	–	6	86	333
98	Edinburgh Amer. Assets	Ivory & Sime	163	0.7	205	14	78	4	4	105	275
52	Electric & General	Henderson	231	1.9	287	48	37	11	4	104	292
19	Greenfriar	Henderson	422	0.9	471	46	25	13	16	102	372
124	Merchants	Kleinwort Benson	75	4.6	104	47	38	10	5□	97	253
206	Scottish Eastern	Martin Currie	127	3.8	175	46	29	21	4	117	226
	International										
69	Berry	GT Management	146ac	0.9	163ac	42	27	13	18	123	371
54	Bishopsgate	Hambros Bank	153	3.3	197	54	36	8	2	111	254
89	English & New York	Kleinwort Benson	78	4.2	102	34	51	8	7	103	241
63	English & Scottish	Gartmore	128	2.3*	152	43	30	16	11	104	329
10	F & C Eurotrust	F & C Management	110	2.0	113	13	1	–	86	108	179
160	Fleming Overseas	Robert Fleming	278	3.6	361	17	38	28	17	92	249
76	Fleming Universal	Robert Fleming	250	3.9	325	47	31	12	10	106	229
22	Group Investors	C S Investments	217	2.3	270	43	45	10	2	104	333
106	Hambros	Hambros Bank	128	3.6	171	53	37	4	6	113	259
164	Investors Capital Trust	Independently managed	182	2.7	233	37	40	18	5	87	238
15	London & Gartmore	Gartmore	255	0.8	283	23	54	6	17	105	312
8	Mid Wynd International	Baillie, Gifford	127	2.1	140	12	33	32□	23	98	+
139	Monks	Baillie, Gifford	130	2.6	164	26	36	33	5	100	261
162	Murray Clydesdale	Murray Johnstone	71	2.8*	100	32	44□	19	5	100	239
40	Murray Glendevon	Murray Johnstone	246	1.8	305	38	24□	27	11	101	249
65	Murray Northern	Murray Johnstone	146	2.0*	181	21□	7	32□	40	104	247
179	Murray Western	Murray Johnstone	91	3.0*	127	27	48□	19	6	94	243
58	North Atlantic Securities	Morgan Grenfell	246	1.7	296	–	57	33	10	100	270
24	Northern Securities	GT Management	422	1.7	501	50	20	12	18	130	322
81	Romney	Lazard Brothers	209	3.0	271	28	23	26	13	103	250
265	Scottish Investment Trust	Independently managed	220	3.1	290	31	38	20	11	102	242
81	Trans-Oceanic	Schroder Wagg	133	3.1	174	40□	48	10	2	98	248
59	Tribune	Baring Brothers	174	3.1	230	33	41	16	10	92	284
168	U.S. Debenture Corp.	GT Management	173	5.4	218	51	32	11	6	114	220
	North America										
110	American	Edinburgh Fund Mgrs.	92	3.6*	129	27	73	–	–	96	246
98	Fleming American	Robert Fleming	374	1.6	464	3	96	–	1	97	228
117	Stockholders	John Govett	101ac	2.7	130ac	20	76	1	3	98	212
67	TR North America	Touche, Remnant	141	3.3	183	6	94	–	–	110	260
	Far East										
22	Drayton Far Eastern	Montagu Inv. Man.	116	1.0	130	4	–	58	38	99	+
158	Fleming Far Eastern	Robert Fleming	287	0.7	305	2	–	72	26	101	308
141	Lake View	John Govett	258	2.4	304	20	5	49	26	103	254
6	New Australia	Edinburgh Fund Mgrs.	103	2.1	114	1	–	–	99	104	†
34	TR Australia	Touche, Remnant	103	2.5	118	13	–	–	87	100	264
96	TR Pacific Basin	Touche, Remnant	234	1.2	263	8	1	74	17	103	274
	Japan										
25	Baillie Gifford Japan	Baillie, Gifford	223	0.1	244	–	–	100	–	94	+
48	Crescent Japan	Edinburgh Fund Mgrs.	718	0.3	718	–	–	100	–	96	301
135	Drayton Japan	Montagu Inv. Man.	356	1.2	386	2	3	88	7	107	+
76	Fleming Japanese	Robert Fleming	430	0.6*	492	3	–	97	–	100	318
45	GT Japan	GT Management	146	1.1	140	7□	3	87	3	96	354
	Japan (continued)										
17	Japan Assets	Ivory & Sime	53	0.1	56	–	–	100	–	94	+
31	New Tokyo	Edinburgh Fund Mgrs.	283	–	305	–	–	100	–	91	+
	Commodities & Energy										
6●	City & Foreign	Montagu Inv. Man.	103	1.4	138	7	93	–	–	96	+
+	New Darien	Hodgson Martin	64	0.6	+	+	+	+	+	+	+
16	Precious Metals	J. Rothschild	128	0.6	136	15□	51	1	33	93	+
97	TR Natural Resources	Touche, Remnant	247	4.3	317	42	33	1	24	95	223
62	Viking Resources	Ivory & Sime	90	1.4	112	32□	67	–	1	109	304
14	Wemyss	Edinburgh Fund Mgrs.	480	6.0	614	42	30	–	28	88	197
24	Winterbottom Energy	Baillie, Gifford	71	1.6	94	6	92	–	2	101	185
	Technology										
71	Fleming Technology	Robert Fleming	139	2.2	178	42	34	22	2	98	275
75	Independent	Ivory & Sime	230	0.3	258	22□	70	–	8	90	+
244	TR Technology	Touche, Remnant	152	3.1	207	34	40	22	4	108	269
	INCOME GROWTH										
196	British Assets	Ivory & Sime	143	5.0	200	40	58	–	2	99	237
16	Lowland	Henderson	180	4.6	209	85	7	3	5	108	360
102	Murray Caledonian	Murray Johnstone	94	6.7*	111	72	9□	10□	9	94	265
	SMALLER COMPANIES										
30	English & International	Montagu Inv. Man.	205	4.2	267	56	27	8	9	101	+
52	F & C Alliance	F & C Management	77	2.9	98	54	23	17	6	112	288
10	Family	Kleinwort Benson	168	5.4	218	94	3	–	3	98	245
17	Fleming Fledgeling	Robert Fleming	100	3.2	130	75	19	4	2	100	333
28	General Scottish	Edinburgh Fund Mgrs.	116	3.8	142	56	34	10	–	94	288
23	General Stockholders	John Govett	123ac	2.4	155ac	32	60	4	4	97	202
41	Glasgow Stockholders	Gartmore (Scotland)	133	2.9	164	43	46	2	9	104	262
21	London Atlantic	Investors in Industry	136	5.5	178	63	17	–	20	92	232
15	London Prudential	Kleinwort Benson	210	3.7	230	62	23	11	4	94	253
12	Moorgate	Philip Hill	232	5.7	263	93	2	–	5	98	289
13	North British Canadian	Investors in Industry	148	5.3	197	89	4	–	7	103	241
39	St Andrew	Martin Currie	264	3.8	334	54	31	12	3	99	241
176	Scottish American	Stewart Fund Managers	185	3.7	252	41	44	9	6	120	267
139	TR Trustees Corp.	Touche, Remnant	104	4.5	148	62	29	5	4	105	251
147	Throgmorton	Throgmorton Inv. Man.	170	5.5	220	82	13	2	3	118	264
	SPECIAL FEATURES										
47	Ailsa	J. Rothschild	73	2.5	93	44	31	16	9	98	[illegible]
127●	Drayton Consolidated	Montagu Inv. Man.	271	4.5	365	59	26	9	6	96	+
26●	Fleming Enterprise	Robert Fleming	196	5.2	258	100	–	–	–	95	276
225	Fleming Mercantile	Robert Fleming	97	4.1	139	47	31	10	12	101	269
15	GT Global Recovery	GT Management	95	5.3	110	57	25	8	10	119	+
62	General Investors	F & C Management	151	3.5	179	47	19	5	29	93	268
133●	London Trust	Rivermoor	80	6.7	107	65	24	–	11	105	197
11	Montagu Boston	Montagu Inv. Man.	107	1.7	105	41□	59	–	–	58	207
9	Stewart Enterprise	Stewart Fund Managers	35	1.6	49	35	41	15	9	122	+
67	TR Property	Touche, Remnant	115	3.5	148	72	13	3	12	101	223
	SPLIT CAPITAL (x)										
17	Altifund	Gartmore	377	0.1	468	91	4	3	2	106	344
2	Child Health Research	GT Management	272	–	310	46□	29	16	9	114	+
29	City & Commercial	Montagu Inv. Man.	414	–	662	89	5	5	1	119	322
25	Dualvest	Montagu Inv. Man.	760	–	1015	91	8	1	–	114	+
23	Fundinvest	Montagu Inv. Man.	215	–	309	86	5	5	4	114	+
2	Marine Adventure Sailing	G T Management	177	–	209	45□	31	14	10	116	+
23	New Throgmorton (1983)	Throgmorton Inv. Man.	27	–	72	98	–	–	2	183	+
23	Save & Prosper Linked	Save & Prosper Group	158	–	369	100	–	–	–	129	340
17	Throgmorton Sec'd Growth	Throgmorton Inv. Man.	244	–	316	99	–	–	1	+	196
65	Triplevest	Montagu Inv. Man.	499	–	847	85	11	3	1	122	+

NOTES TO THE TABLE

\+ No data.
* Applies to Ordinary. "A" Ordinary only.
a Does not include special dividend.
□ More than one quarter in non-equity investments.
(x) Capital shares.
● More than 20% in securities or other assets included at director's valuation.
ac Adjusted for scrip issue.
ar Adjusted for rights issue.
(q) Published quarterly.

(a) Cols. 1, 4 to 6 Figures supplied by Wood Mackenzie & Co, members of The Stock Exchange. The figures in Cols 1&6 are simulated to date shown based on latest valuation supplied by the companies and made available to The Stock Exchange.

(b) Col. 11 The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet 'More for your money.'

Additional explanatory notes are available on request from The Secretary, The Association of Investment Trust Companies, FREEPOST, London EC2B 7JJ. Tel: 01-588 5347.

INDICES OF FIVE YEAR TOTAL RETURN

+ Investment Trust Average	261
F.T.-Actuaries All Share	275
* Standard & Poors Composite	188
* Tokyo New Share Exchange	147
* Capital International World	169

\+ Excludes split capital.
* Adjusted for exchange rate changes.

The Association of Investment Trust Companies
AITC

COMPUTER GROUP'S RIGHTS ISSUE

Micro Focus turns the tables

THE SPECIAL pitfalls involved in raising equity finance on the USM were highlighted dramatically this week when computer software group Micro Focus called on its shareholders for £9m.

Its one-for-six rights issue, the first USM rights issue this year, also overturned a key tenet of conventional investment wisdom.

Normally, rights issues are expected to send the company's share price down because of the risk of earnings dilution for existing investors. It was with that in mind, plus the need to place well over half the 1.7m shares being offered among institutions, that merchant bank advisors Singer and Friedlander priced the issue at 535p, a heavy 15 per cent discount to Micro Focus' market price at the end of the previous week.

The actual performance of the Micro Focus share price after the announcement, however, made theories like that look as relevant to the USM as an abacus would be to a software compiler. Instead of going down, the shares shot up 80p to a new high of 720p and ended the week at around 760p, where the company is valued at £79m.

The fact that the Issue coincided with an impressive set of profit figures had something to do with it. Pre-tax profits for the year to last December had nearly tripled to £2.35m on turnover doubled to £9m, way above the City's expectations. The directors' statement that current orders are running at double last year's level gave the shares a further lift.

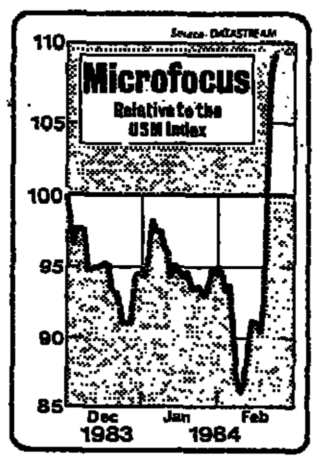
Micro Focus has in any case always been one of the most volatile stocks on the USM because the market in its equity is very restricted, with a mere 2,500 shares freely available.

So was the pricing of the issue a flop or a success—and from whose point of view? Clearly, the directors could have raised more for the company's development if S&F had allowed them to set their sights rather higher.

The shareholders, on the other hand (Micro Focus is 60 per cent owned by its directors and employees) have not exactly lost out. Indeed, they have benefited by being offered the chance to buy more shares at a 30 per cent discount to the current market price or sell their rights at a profit.

"We were somewhat surprised at the rate at which the price went up," admits S&F director Sir Timothy Harfoot. "But we were anxious to make sure that there would be no difficulty in disposing of large amounts of stock if the issue went badly." Furthermore, he points out, the issue price needs to hold good for the three weeks between the announcement and the start of dealing in the new shares on March 16. Almost anything could happen to the price of a thinly marketed stock like Micro Focus in that time.

"Of course, the directors of the company always want to get a bigger bang for their bucks," says Sir Timothy. "But the reality is that the company is owned by the shareholders and if you aggregate the two, it doesn't really matter who benefits."



This time at least, Brian Reynolds, Micro Focus' chairman is not complaining because he has targeted for £9m to fund future expansion, which includes more than doubling his staff to 300 this year and heavy spending on computer hardware.

An alternative would have been to announce the rights issue and the results within days of one another. Yet that would also have carried risks. A placing would have been another possibility—but that would have left out the smaller shareholders.

William Dawkins

He designs shops but hates shopping

RODNEY FITCH, founder and deputy chairman of Fitch and Co, which has just been taken on as design consultant by the giant Asda supermarket chain, admits to being the world's worst shopper.

"One of the reasons that I like designing shops is because I hate most of them. They are just so wrong that I want to put them right," he says. "I have an absolute conviction that most shops are designed for the benefit of their owners and the people who work in them rather than the customers."

The same is not true, he hastens to add, of Asda, the third largest grocery multiple in Britain with 96 stores and a turnover of £1.5bn, which wants Fitch to co-ordinate its existing design policies.

So his role will be to develop Asda's image over the years rather than radically alter it. But in the next few months, Fitch's design team will be scrutinising every aspect of Asda's appearance, right through from the labels on its tinned beans to the layouts of the stores themselves. "We may make a few visual changes, and planning ones. The idea is to make things easier to find quickly and present the image of a good grocer at good value and a good price," says Fitch.

Since its arrival on the USM in October 1982, the company's shares have risen from their placing price of 150p to a peak of 335p last year, but have subsequently fallen back to 260p, where the group is valued at £13.3m.

Fitch (45) started his career with the Conran Design Group in 1969 and bought the company with four fellow directors from the Conran Organisation 10 years later. He is now designing the interior of Heathrow's Terminal Four and retail clients include Top Shop, Cinzano and Lyons Maid.

The Asda contract is something of a feather in Fitch's cap because it will be his biggest ever retail account and a more than adequate consolation prize for failing to win a major design contract last year from the House of Fraser. That went to Aidcom, another USM company which this week announced that it is to graduate to a full listing.

Last year, Asda spent £20m on refurbishing and buying new equipment for 34 stores and is constantly trying to improve its outlets, so Fitch is bound to be busy. "Shoppers are no longer interested in going into a grocery store and buying a product at the cheapest price. They want more than that—they are becoming increasingly interested in quality. The companies who recognise that are the success stories," he says.

The shopping habits of Fitch and his wife and five children, however, show that not all customers are like that. Their most frequent haunt is Mr Patel's corner store near their home in Bayswater. "We're not a very good example I'm afraid," Fitch says apologetically.

W.D.

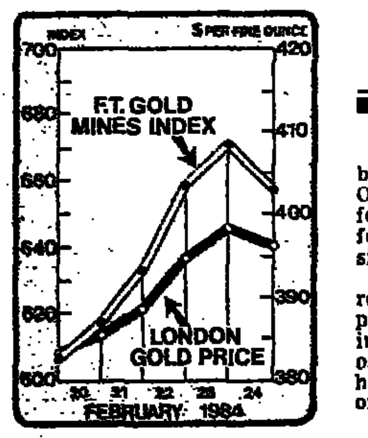
It might just do it

MINING

KENNETH MARSTON

UP, UP and away? Well hardly, but at least the gold price has been providing some talking points in the mining sharemarket this week. From $383.25 per ounce at last weekend it has steadily moved ahead and for a while on Thursday it crossed the $400 level for the first time since early-December.

South African gold shares, ever eager to respond, galloped ahead and by Thursday the gold mines index was showing a rise on the week of 64.3 at 671.0, the highest since mid-September. Both markets paused for a breather yesterday with bullion easing to $396⅜ and the index declining to 656.6.



The big question now is whether gold is poised decisively to move up into the $400s—it is said that $405 is a major resistance point—or whether this week's earlier strength is yet another false start. Most observers think that the average price for 1984 could match last year's $424 but, sensibly, none are prepared to forecast short-term movements.

For the longer term there are plenty of factors, both bullish and bearish, to be considered and they are mostly economic although the Iran-Iraq war with its possible threat to oil supplies has come into the picture this week.

To my mind, there are two basic bullish factors for gold. One is the growing uneasiness felt about the U.S. dollar which for a long time has been considered to be over-valued.

A fall in the dollar would be reflected in a rise in the dollar price of gold and, possible more important, a movement of money out of that currency into other havens of which gold would be one despite high interest rates.

The other factor lies with the possibility of increased industrial demand *for the metal in* line with the continuing consumer-led economic recovery in the U.S. The jewellery manufacturers, for example, were frightened away from the market at this time last year by prices of $500 per ounce.

Since then the market for jewellery has picked up — Christmas trade was good—and the manufacturers may now be thinking of replenishing their gold supplies, especially those outside the U.S. who will benefit from any fall in the dollar.

It is interesting to note that industrial demand for platinum, another metal that responds to consumer-led recovery, is also rising. This week Mr Kennedy Maxwell, managing director of South Africa's **Rustenburg Platinum Holdings**, has forecast that platinum demand would exceed supply this year.

While South African gold shares were happily jumping *through the hoop, it took until* about Wednesday before news of what was going on filtered through to the Antipodes and then one or two of the Australian gold shares brightened.

The Australian mining sharemarket, generally, has been glancing uneasily over its shoulder since cracks appeared on Wall Street just over a fortnight ago following the warning by Mr Paul Volcker, chairman of the Federal Reserve Board, about the mounting U.S. budget deficit.

It must be unnerving when subsequent further evidence of economic recovery is taken by Wall Street not as a bull factor *but rather the reverse because* it implies continued high interest rates—would that market have risen if the economic indicators showed a downturn?

It is no use suggesting to the Australians that, despite high interest rates, continued U.S. recovery must be good for Australia, too, and that anyway there is an important burgeoning market for Australia's mineral products in Asia. What they don't like is the continued lack of response in the prices of some *major* metals, notably copper and nickel.

Still, the major diversified Australian mining groups should be doing well thanks to the com*modities that are making good* money, such as aluminium, zinc, gold and diamonds. These are included in the spectrum of the **Rio Tinto-Zinc** group's **CRA** which looks like reporting some very good 1983 results next week.

By the same token, RTZ itself should also be announcing good results shortly—a 75 per cent increase in profits has been forecast by stockbrokers Quilter Goodison—and this may help to comfort investors while they live *through the current dull days.*

So too, should the fact that profits can still be made at low metal prices—even in copper—by the more efficient companies which have slimmed down their cost structure and, where possible, increased output of saleable products.

We have seen this, for example, at RTZ's **Palabora** and **Bougainville** mines while the **Consolidated Gold Fields** group's Australian **Renison Goldfields Consolidated** has managed to turn in a good result for the first half of its year to next June.

Incidentally, Gold Fields' results for the first half of the year to next *June are due on* March 6. They should show a good improvement on those for the same period of the previous year but in view of the easier *trend in gold and other metal* prices since last June they cannot be expected to match those of the second half of 1982-83.

TAXATION

A list of chores before the April 5 deadline

ANDREW TAYLOR explores the nooks and crannies of our peculiar tax system

THE DAYS are lengthening. Spring is almost due, and taxpayers' thoughts should be turning to the approaching end of the tax year and putting their affairs in order.

It is not much good sitting down at five minutes to midnight on April 5 to worry about all those things you should have been doing to improve your tax position.

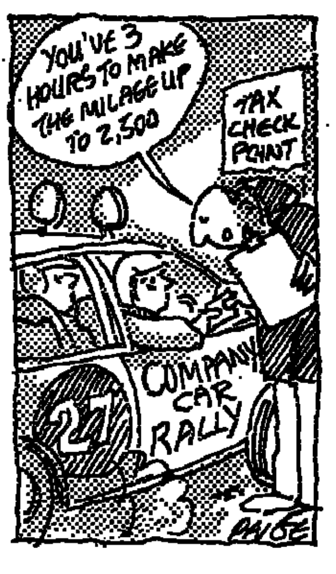
Peter Threlfall, partner of accountants Cooper and Lybrand, says: "Now is the time to take stock. Think seriously about your needs. If you are going to have to sell investments consider whether you might save money by selling now instead of waiting a few months."

Tony Richards, partner of stockbrokers Quilter Goodison says: "People can lose thousands of pounds because they failed to devote just a little time to considering their tax position.

A mass of helpful hints and checklists have been prepared by accountants and stockbrokers.

Here are just a few of the things people should be thinking about. Some recommendations are not specifically tied to the end of the financial year but are worth considering as part of a general look at taxation.

- Why not pay your spouse for helping to run the family business—even if it is only feeding the farm chickens? The first £1,785 of income is tax free but the work must be genuine. Any remuneration should be paid before April 6 to take advantages of allowances for the 1983/84 tax year.
- If there are other adult family members working for the business it may be worth paying extra wages to lower rate tax payers to make more efficient use of profits.
- Additional tax savings can be made by taxing husband and wife separately. Election for separate taxation must be made before April 6, in respect of income earned in 1982/83. This is not worth doing unless joint incomes are at least £19,337 and the lower wage earner is paid at least £4,972.
- Individuals making their own pension arrangements are *eligible for tax relief. Allowances* of up to 17.5 per cent of earnings (more if born before 1934) are normally made annually but in some cases can be back-dated. Applications should be made before April 6, however, to avoid loss of benefit.
- Individuals in each tax year can invest up to £40,000 in companies covered by the Government's Business Expansion Scheme. Subject to certain conditions, investors can claim relief at their marginal rate of tax. For example, a 60 per cent rate taxpayer could acquire a £40,000 investment at a net cost of £16,000.
- If your children are over 18 you can pay them an income under a deed of covenant. If the child has no other income the Inland Revenue will provide



£30 for every £70 you contribute—up to a total of £1,249-50. Maximum savings in the current financial year would be £535-50. Start now and you will qualify for 1983-84 allowances.

Income tax rates 1983-84 after deducting allowances:

Income £	Rate %
1-14,600	30
14,601-17,200	40
17,201-21,800	45
21,801-28,900	50
28,901-36,000	55
36,001 upwards	60

Travel and the company car

- Tax charges on company cars vary according to age, cost of vehicle, size of engine and number of miles done on behalf of the business. Less than 2,500 business miles and charges are increased by half. More than 18,000 miles and charges are reduced by half. There is still just time to take that trip to Land's End or John O'Groats.
- Businessmen working abroad are entitled to tax allowances provided they spend at least 30 nights overseas on business before April 6.

Investment

- Investors can also claim capital allowances, on the cost of small workshops of no more than 1,250 sq ft. In past years there has been a rush for these units as the end of the tax year approaches.

Capital gains tax

- The first £5,300 of gains (after an adjustment for inflation) are tax free on the sale of chargeable investments or assets. If you have not yet used up your allowance for 1983-84 you should consider doing so before April 6.
- If payment of capital gains tax is unavoidable it may be worth deferring part of the sale until after April 5 as tax on this will not fall due until December 1 1985. Tax on sales made on or before April 5 will fall due on December 1 this year.
- After the first £5,300, capital gains tax is levied at the rate of 30 per cent.

Bed and Breakfast

In spite of changes in tax rules, benefits can still be attained from selling and repurchasing the same shares, within separate stock exchange accounts. Commission must now be charged on both transactions but bed and breakfasting is still practised and increasingly so as the end of the tax year approaches.

- If investors exceed the £5,300 capital gains allowances they can sell other shares showing a loss. The shares are bought back once the loss has been recorded and capital gains accordingly reduced.
- Selling and buying back shares, which have already enjoyed a price rise, increases the benchmark from which future capital gains would be calculated.

Capital Transfer Tax

The end of the tax year is also important for those wishing to make gifts to friends and relatives without triggering capital transfer tax. Individuals should check carefully what allowances they are entitled to before the April 6 deadline. The basic allowance is £3,000 per person per year in addition to a ten-yearly gift entitlement of £60,000.

Any number of small outright gifts, of no more than £250 per recipient, can also be made.

Redundancy

Payments made to individuals on termination of employment or office are liable to tax. The first £25,000 is normally tax free. Charges thereafter depend upon what other income individuals have earned during the year. It may be advantageous therefore to take redundancy after April 5.

It may be worth limiting income to £1,690 in order to avoid National Insurance liability.

BUILDING SOCIETIES

Drawing up the lines for battle with the banks

MARGARET HUGHES examines this week's proposals for extending the services of building societies

IF THE building societies get their way, they will soon be offering the consumer a much wider range of both financial and housing services. They will begin offering nearly all the services of banks, and other services too.

Earlier this week the societies presented their blueprint for how they would like to develop. The Government will be publishing its views on the subject in a few months' time.

It will then take two to three years for any legislation to be introduced.

Societies want to be able to offer cheques books with guarantee cards, credit cards, cash dispensers, travellers cheques and foreign currency. A few at present are providing cheque books, but unless they do so through a tie-up with a bank their use is limited because a building society account cannot be overdrawn, even for one day.

This also limits the potential use of cash dispensers. Six societies which offer credit cards only offer cards which can be drawn on accounts with credit card companies like Access, Barclaycard or Visa.

If societies were permitted to grant small overdrafts, they would be able to offer all these services. And for this, they have the backing of the National Consumer Council.

More ambitiously the societies want to offer also personal loans and hire purchase facilities. This, they say, would enable them to lend money to house buyers to buy furniture and equipment like refrigerators and dishwashers.

As these loans, which would not be eligible for tax relief, would be available to both borrowers and investors, this could lead the societies to move into general consumer credit services. In this area societies are likely to meet strong Government resistance because it takes them into an area of much higher risk.

Societies want to offer additional services to assist the home buyer, in particular a one-stop house buying package. This would mean acting as estate agents, conveyancers, insurers and surveyors.

The Property Services introduced last month by Abbey National is an early move in this direction. Its tie-up with estate agents provides a 10 per cent discount on the selling fee plus lower surveyors' fees and legal costs. The Government's announced intention to end the solicitors' monopoly on conveyancing will give the societies more opportunities.

Not all societies want to offer all these services and those that do will have to either buy in or link up with a variety of outside experts. But permission to do so would ensure greater competition in areas where house buyers have a little opportunity to shop around.

Potential competitors like solicitors claim that if societies are able to offer this type of one-stop housing package it will lead to a conflict of interest. The consumer will no longer have access to independent and impartial advice.

The societies, however, claim that there will be no compulsion to use their services in preference to those that now exist. They also say that in areas where there might be potential conflict of interest the work would be undertaken by *separate subsidiaries*. So, in theory at least, house buyers should not be subject to any arm twisting to make them use a society's house purchasing services if they want a mortgage.

Another barrier the societies are seeking to remove is their present prohibition on their offering second mortgages. At present they can offer only a first mortgage which can be up to 100 per cent of the value or purchase price. But even a small extra mortgage for house repairs and extensions is impossible at present from a society other than the one which provided the original mortgage.

They also want a clearer ruling that they can offer index-linked and equity sharing mortgages. In the first case repayments would be linked to an index such as the retail prices index, but a lower interest rate would be charged. With equity-sharing mortgages, the society takes a share of any profits from the sale of a house.

The societies are also hoping to become more involved in house building. If they were permitted to acquire and hold land for housing development it would mean a greater supply of low-cost housing for sale and for *rental under the assured* tenancy scheme. It would also mean an increase in the number of shared-ownership projects which help low-income first-time buyers.

The owner-occupier would be able to buy part of the property on a mortgage and rent the rest from the society. Abbey National and Nationwide are involved already in housing projects, particularly in inner city areas, but they have to do so through associate companies over which they have no direct control.

LUMP SUM PAYMENT OF £100,000 INTO A MAXIMUM INVESTMENT BOND

Investor aged 50, on top rate tax (Incl. Investment Income Surcharge)

Bond No.	Premium £	Taxable gain at maturiay £	Tax liability £	Term premium to extinguish liability £
1	16,319.87	346.80	156.06	10.00
2	14,209.67	1,470.33	661.65	10.00
3	13,218.30	2,467.70	1,110.46	70.48
4	12,296.09	3,396.35	1,528.36	93.18
5	11,438.22	4,261.15	1,917.52	106.78
6	10,640.20	5,066.62	2,279.98	107.27
7	9,897.86	5,816.97	2,617.64	89.68
8	3,305.19	2,418.27	1,088.22	47.89
9	3,074.60	2,658.16	1,196.17	31.09
MIP 1st Annual Premium	5,600.00			
	100,000.00			

assumes funds grow at 7½ per cent each year.

INVESTMENT BONDS

Skandia's hush-hush product

SKANDIA LIFE Assurance made a great show last month in promoting its new investment ties with six financial management groups so that its investors now have a choice of 94 funds. But the launch at around the same time of an even more innovative product was kept low key by the company.

The reason for hiding its light under a bushel is that the way in which the benefits of this tax efficient life product are provided will almost certainly meet with disapproval at the Inland Revenue. In any event the bond could be undermined by Chancellor Nigel Lawson when he delivers his first Budget in two weeks time.

Under present tax legislation, a normal linked bond is subject to higher rate tax on any profit when it is cashed-in wholly or in part. The one concession is that investors can cash in up to 5 per cent of their original investment and have the tax deferred until the ultimate cash in.

With Skandia's new Maximum Investment Bond, investors can take up to 10 per cent of their investment each year as tax free income. The company his discovered, once again, how to design a life product to avoid the tax liability.

Skandia Life has been in the forefront in designing tax-avoidanced plans. Its technical and administration director, Trevor Wey, was the designer of the Capital Investment Bond (CIB), launched in November 1980, which offered tax free income on a lump sum investment.

This scheme was blocked by the Revenue last April and for a few months there has been no highly tax-efficient bond on the market. Now Trevor Wey has designed the Maximum Investment Bond.

The key to the Maximum Investment Plan is the use of a guaranteed insurability option. This option allows investors holding a life policy to take out further life contracts without evidence of good health. The Revenue has given certain concessions concerning the use of this option, which this new plan uses to full advantage.

The new bond consists of nine single premium endowment policies, maturing in successive years over the nine-year period. They act as "feeders" to a regular premium Maximum Investment Plan (MIP). The maturity value of each single premium contract pays the premium due on the MIP, with the balance providing the income. As each of the single premium bond matures, there is a higher-rate tax liability which would normally cut back on the income. So each policy provides an option which allows the investor simultaneously to take out a new policy when the old one matures. Under present legislation, any tax liability is thereby carried over to the new policy.

The range of policies that can be taken out is wide. But if the investor takes out a term assurance policy he can effectively extinguish that tax liability since the death payment on a term policy is free of tax and there is no surrender or maturity value.

Skandia is not paying any commission on any new policy taken out under this option. So the term premiums charges are very cheap indeed.

However, it should be emphasised that the choice of contract has to be made by the investor at the time each policy matures. There is no inbuilt conversion neither does it form part of the bond and the premium rates are not guaranteed.

The table shows how the Maximum Investment Bond can work for a 50-year-old investor putting up £100,000 subject to top rate tax including Investment Income Surcharge. Skandia does its calculations assuming 7½ per cent growth and builds in a contingency margin into the first bond. This adds to the complexity.

The operation of the bond is complex and Skandia does not attempt to explain this in detail in its brochure.

It says the plans are not suitable for mass selling and need to be explained directly to each individual client.

Skandia has endeavoured to make its new scheme as commercial as possible, in contrast to the Capital Investment Bond which was an artificial combination of policies. Nevertheless the Revenue could well take action against it quickly. This view is borne out by Towry Law, the large life broker.

In a letter sent to selected clients announcing the bond, it urged investors to act before Budget Day—March 15.

Eric Short

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WORLD STOCK MARKETS

Going cheap . . . Canada's natural resources

NICHOLAS HIRST in Toronto continues our series

SINCE the beginning of the year Canadian stock markets, taking their cue from the much larger markets in New York, have fallen sharply.

Most analysts regard the move as a long-awaited correction in a bull market, which began in mid-1982, and at the all-time peak in September last year had seen a 93 per cent increase in the Toronto Stock Exchange's 300 composite index.

The Toronto market, which accounts for 80 per cent of all Canadian trade, moved ahead by 30 per cent last year, outpacing the Dow Jones index, but most of the gains were in the first four months. As the year progressed analysts trimmed earnings projections and many felt share prices had moved too far ahead of companies' underlying performance.

In spite of nervousness over a possible slowing of the American economic recovery to which Canadian fortunes are closely linked, most analysts still expect Canadian markets to move ahead again later in the year. The conference board, one of the more pessimistic economic forecasters in Canada, is predicting a 3.3 per cent rise in Canadian gross domestic product for 1984, and the World Bank expects pre-tax profits to grow by 23.5 per cent.

The Liberal Government of Mr Pierre Trudeau has repaired much of the damage to business confidence created by tough budget and national energy and foreign investment policies during the early period of its administration, but remains low in the opinion polls, with an election likely in the autumn.

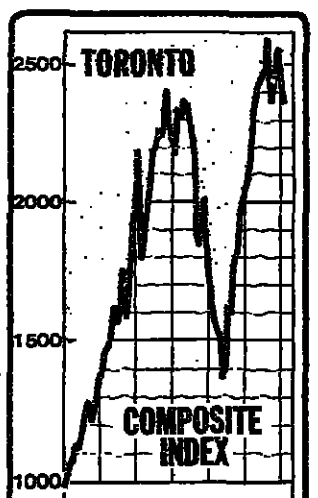
So far the important natural resource sector has not performed nearly so well as in the previous bull market. At the end of 1980 the four natural resource groups — metals and mining, oil and gas, forest products, and gold—accounted for just under half the capitalisation of the Toronto market. At the end of last year their relative weight had fallen to just under a third of the market.

Overall, however, brokers are more cautious about the future course of the market than they were a few months ago. Many Canadian companies remain under-capitalised. Wood Grundy, Toronto stockbrokers, estimated that Canadian corporations needed C$12bn of new capital to repair their balance-sheets from the ravages of inflation-induced debt financing. C$7.1bn was raised last year, but more companies can be expected to come to market for cash this year providing a potential drag on prices.

Aggressive competition for retail business could serve to increase private investor interest in equity markets. The Toronto Dominion Bank, Canada's fifth largest, has recently gained permission to market a cheap share buying service using discount brokers established after Toronto moved to negotiated commission rates last April.

Around 50 per cent of Canadian equities are held in private hands, but investors in Canada are innately cautious. A survey soon to be published by the Toronto Stock Exchange shows that only 11 per cent of adult Canadians hold equities, compared with 22 per cent in the United States.

Seven out of 10 Canadians surveyed agreed with the statement. "Investment in the Stock Market is really just gambling and should only be done with money you can afford to lose."



Increased tax concessions in the February 15 budget, however, is expected to raise interest in self-directed individual retirement plans, which can be used to invest directly in equities.

The TD Bank has launched its own self-directed scheme as part of its cheap share-buying service and other banks are expected to follow suit, increasing competition with established brokers and trust companies.

The TD Bank, however, is not permitted to give investment advice. The impact of negotiated commissions on full service brokers has tended to reduce the cost of dealing to institutions and to raise the cost for the smaller investor.

A straw poll of brokers, however, showed that for the average medium-sized retail client, charges are very little changed from the previous fixed rates running at 2 to 3 per cent of a C$10,000 to C$15,000 trade.

Transaction charges by discount brokers can be as little as a third of the cost of dealing through a full service house. There is no stamp duty in Canada.

The Toronto Stock Exchange itself is in constant competition for business with the more speculative Vancouver market for trading smaller companies and with New York markets for trading larger corporations.

Of shares of Canadian-based companies listed on both Toronto and New York, Toronto captures only 42 per cent of the trades. These shares are extremely important to the Toronto market, accounting for a third of its own trades in Canadian-based companies.

Although most of the North American unit trusts have a few Canadian shares in their portfolio, there are only two exclusively Canadian unit trusts.

Hexagon Services, a subsidiary of the Save and Prosper unit trust group, set up Canada Growth, last year, while Craigmont Canadian already has a five-year record behind it. The Canadian and Foreign International Unit Trust, run by Bishopsgate, also has a large Canadian component in its portfolio.

NEXT WEEK: The South African market.

BUSINESS EXPANSION SCHEME

Anything goes in the race against the taxman

TIM DICKSON looks at the latest candidates for the investor's tax shelter

OPPORTUNITIES to invest through the Business Expansion Scheme (BES) are still pouring in thick and fast. But whereas earlier in the financial year most promoters were launching managed funds—offering a spread of different businesses—the trend now seems to be running in favour of share issues for individual companies, Little Aston Hospital, New Farm Estates, a new farming company called Formfield and a North West property developer Bexbuild Development were among those in the marketplace this week.

More than £30m has already been raised by fund managers for the BES, which gives individuals full tax relief on commitments of new equity up to £40,000 in most unquoted trading companies. But many of them are involved in a frantic race against time to get their cash invested before April 5 so that investors will qualify for relief on their 1983-84 income.

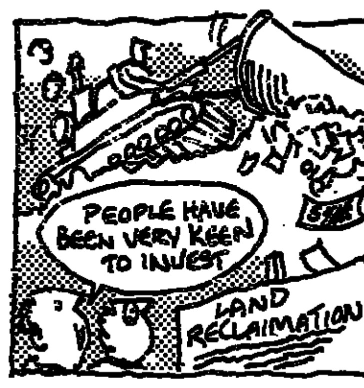
At this late stage of the game a new fund would have trouble finding suitable investments in time to meet this deadline — hence the attraction of backing a specific company which does not have that problem.

Investors, however, should bear in mind that they are putting all their eggs into one basket and should weigh this up against the risks involved. They should also be aware that charges for this sort of venture are higher than the costs of buying say a conventional unit trust and that in line with venture capital practice in the U.S. the managers of the business often buy their shares on preferential terms.

One of the most eye-catching issues of the week was the £2.3m which Guinness Mahon is hoping to raise for Little Aston Hospital, a private 50-bed hospital in Little Aston (north of Birmingham) which has yet to be built.

Investors with only relatively short memories will recall that issuing house Aitken Hume failed to raise the necessary funds for Little Aston last October and were forced to send the money back. So why will it succeed now? Apart from the impending tax deadline which will no doubt help. Dr Michael Sinclair, chairman and managing director for HCC, a professional hospital management company behind the venture, says that marketing this time will be "better focused" on likely subscribers.

He also points out that the terms of the promoters' remuneration have been changed so that the rewards are tied directly to performance and are not all "up front," as previously.



Farming and property development are possibly not what the Treasury had in mind when it thought up the Business Expansion Scheme. Nevertheless they are "qualifying" activities and with their strong asset backing could well be attractive for investors. New Farm Estates (Brokers to the issue are Brewin Dolphin) invests in land for reclamation and improvement and raised £460,000 under the BES last year. It claims a "satisfactory" increase in value following the reclamation and improvement work so far undertaken.

Formfield, whose cash raising is being handled by chartered surveyors Humberts, is hoping to raise £2m to put into farming. This, like Little Aston, is a second attempt for the company failed to raise enough under the scheme last November to purchase a specific farm in Buckinghamshire. No doubt the promoters will be encouraged by the success of Hill Samuel, which managed to pull in £13.2m recently for Beechbank Farmers.

Bexbuild Development, a property development and contracting company in the North West of England, is also seeking £2m. Chairman Mr Philio Shapiro claims it is the first company of its kind to be granted provisional Inland Revenue approval under the BES.

Lloyd-Wright still lives

BY JUNE FIELD

PAST THE mock-Tudors and the neo-Georgians together with the occasional avant garde contemporary, there is a tall elongated white box of a house.

Its only concession to ornamentation are some impressed motifs trimming the top of slim pillars alongside the numerous high narrow windows and tucked in roof terraces.

This is the White House in 2½ acres on the edge of Mill Hill, NW7, on one of suburban London's highest points. It was designed in 1935 by British architect D. E. (Denis) Harrington, for film producer G. F. W. "Fred" Daniels, who wanted a Frank Lloyd Wright-style house.

The house is said to derive from Wright's Hollywood period when he began to design differently from his extended horizontal Prairie-style, concentrating on enclosed cubic forms. The style was a far cry from what he called a curious collection of homes "all nicely set out together on the clipped lawns of little town lots."

Not for Frank Lloyd-Wright (1867-1959), Wisconsin-born of Welsh stock, "the traditional California porch and parlour . . . the pie and the ice-water, the rocking chair and the chewing gum."

Further research needs to be done to establish the full background to the White House. The local library has no record of it, although when I was making my inquiries, someone came in who said he remembered seeing Douglas Fairbanks Jr. and Myrna Loy there in the mid-1930s.

The Frank Lloyd Wright touches are certainly recognisable. The impressed motifs which trim the exterior are traceable as the architecturally designed "hollyhocks" that are the major decorative treatment of the Aline Burnsdall Hollyhock house built in Los Angeles in 1920: and the frieze that runs along the windows at the front of the house is reminiscent of that used on his four "textile-block" houses in California.

The original plans of The White House by Harrington, dated June 1934, show the house before a whole floor was inserted above the kitchen in 1972. The specification also reveals how well built the house is, with solid wood block rather than suspended floors.

Walking into the dramatic two-storey high living-room of the White House, I was conscious of an immediate cultural shock.

Here was something different, a rare combination probably unique in this country, of what must surely be a Frank Lloyd Wright-inspired room, with some authentic art deco furnishings. The style derives from the International Exhibition of Decorative and Industrial Arts held in Paris in 1925, although the term did not really come into popular use until a follow-up exhibition, Les Annees 1025, was held in 1966.

The pieces include narrow curvy armchairs, a Carlo Bugatti-signed table, a Goldscheider porcelain figure that is part of a lamp, a Charles Schneider vase, and a pair of tall 1930's wood display plinths, plus what is said to be a self-portrait by Gluck, artist daughter of J. Gluckstein, one of the J. Lyons family, who dressed in male attire and refused all prefixes.

Not all has been fully identified or documented, but everything fits. In the dining-room the splendid highly polished wood table has a Ruhlmann look. The distinguished *ebeniste-decorateur* specialised in this type of quality piece with tapered legs, and the chairs, bought later, are in an almost identical style. The imposing fireplace surround is a copy, created from an original *deco* design.

All has been collected and put together by the owners, Geoffrey and Linda Spiro. They bought the house seven years ago when it was very run-down, and have steadfastly worked on the interior.

The built-in bench in the hall is original, and has cushions in keeping, the broad marble staircase is a replacement for a shabby black-painted one. The novel hand-rail on the wall is a heavy tasselled rope-tie rescued from old theatre curtains.

Other original touches survive, such as cube motifs on doors and cupboards and charming little wood fretwork trims to the stairway. The five bedrooms, two bathrooms and kitchen have been brought up to present day standards, with lavish wallcoverings and fittings.

The asking price is £500,000, more with some of the deco furnishings. (Brochure from Stephen Perks, Hampton and Sons, 6, Arlington Street, London, SW1).

That I should come across another Frank Lloyd Wright style house this week is fairly extraordinary. I found The Rhododendrons tucked away on a half-acre in Camberley, Surrey, through agent Hugh Treseder, manager of Sturgis' 61 Park Lane, London office.

Here you have your true Prairie architecture evolved by Wright to fit the broad expanses of middle-western terrain, the lines predominantly horizontal under heavy sheltering roofs, with a strong relationship between the outside and inside. To find such a style 20 minutes from London's Heathrow is rather unusual.

The story behind this remarkable just built red brick house (the interior walls are natural) brick too, is that it is the master's design released by the Frank Lloyd Wright Foundation in Arizona.

Such release depends upon approval of a site suitable to Wright's original concept, although adaptations can be made to accommodate the necessary modern appliances for heating and so on.

Industrial designer Firoz Metta always wanted such a house, and he told me that its creation was the realisation of a dream. But now work takes him to America, so he has to sell — at £300,000 freehold, or he would be prepared to rent it at £300 a week unfurnished to a company.

The house was specially adapted for the site by architect David Dodge, who divides his time between Arizona and Switzerland. It has taken five years to come to fruition, including 2½ years actual building time; and finishing touches such as polishing the woodwork, cleaning the vast areas of glass, and landscaping, still needs to be done.

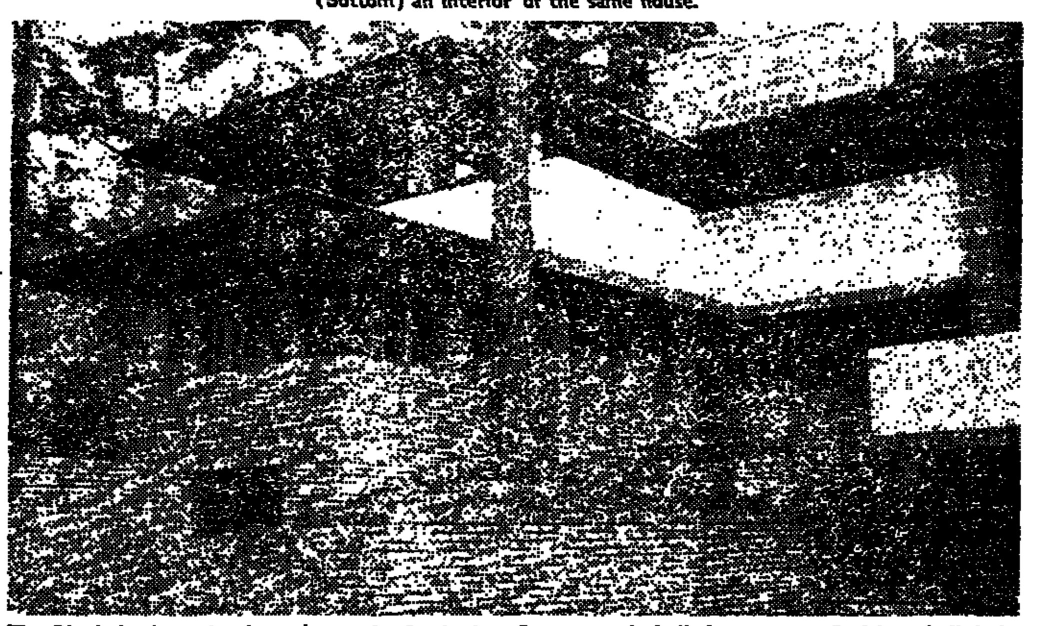
Again, it is not an over-large house—Wright planned his prairie-homes to be compact and practical for small, often servantless families.

Wright hated basements, so the ground floor is raised to make what is in effect a lower ground floor into a true garden-level, rather than a sub-terranean one; and not a drainpipe or down-gutter is to be seen. The exterior is all of a piece with nothing obtrusive.

Other special touches include an open staircase with "butcher's block" treads, inside "planters" matching up with those on the outside, recessed lighting, and, right at the top, designed especially for the owner, a tiny star-shaped "meditation room."

The opportunities are there for furnishing in authentic style from scratch; to get the mixture right I recommend studying David A. Hanks' *Decorative Designs of Frank Lloyd Wright* (Studio Vista/Cassell 1979), which shows that FLW designed everything from his first wife's dresses to much of the furniture and fittings for his numerous projects.

(Top) The White House in 2½ acres near Mill Hill, London, NW7, believed to be built in 1935 to a Frank Lloyd Wright Californian design, with 5 bedrooms, 2 bathrooms and a heated swimming pool. For sale at £500,000 freehold; some of the art déco furnishings can also be bought by arrangement. (Bottom) an interior of the same house.



The Rhododendrons in about ½ acre in Camberley, Surrey, newly built house to a "Prairie-style" design released by the Frank Lloyd Wright Foundation, Arizona. There are 5 bedrooms, a bathroom and 3 shower rooms plus a "meditation room." £300,000 freehold through Hugh Treseder, Sturgis, 61 Park Lane, London, W1 (01-493 1401).

Gazumping will have to wait

HOUSE PRICES

MICHAEL CASSELL

SPRING APPROACHES, the housing market stirs and home-owners begin to indulge in fanciful reflections on how more their property will be worth by the time the nights again start drawing in.

For potential first-time buyers, the hope will be for minimal increases; for existing owners intending to move again any warm glow generated by the thought a better sale price is extinguished by the prospect of a more expensive purchase.

As for 1984, all the signs are that the year will indeed bring substantial, if unevenly distributed price rises to the private housing market. But "substantial," in the context of the present economic climate, does not imply any return to the crazy days of the early or late 1970s, when house price inflation rates read like street numbers and gazumpers, having been invented, were then gazumped.

The likelihood is that average prices over the next year will rise by around 10 per cent, a repeat of the picture recorded during 1983 and a significant increase when set against the prevailing inflation rate. The Treasury expects the annual rate to be down to 4½ per cent by the year-end, though more pessimistic observers put the figure nearer 8 per cent.

Average 10 per cent increases over two years nevertheless spell out a healthy improvement in market prices and there seems every chance that price rises substantially above that level could be achieved in the south east.

The latest house price survey from the Royal Institution of Chartered Surveyors covering the three-month period ending in January showed a marked increase in demand for housing and price rises of up to 7 per cent in the south east region.

Last year's average 10 per cent rise, the fastest rate of increase since 1980, was brought about by the sharp increase in real earnings for those in work and earlier reductions in the mortgage rate, which stimulated demand.

This year at least one reduction in the cost of home loans looks to be on the cards, which should help offset any slow-down in the growth of real incomes.

The building societies expect near-10 per cent average rises this year, not least because house prices still remain low in relation to earnings and the "catching up" process has some way to go.

In addition, a large proportion of the stock of unsold homes on the market which developed during the early 1980s was cleared last year, so that supply and demand are again much closer together.

According to the Incorporated Society of Valuers and Auctioneers, the principal restraining factor will be the broad balance between supply and demand for homes, "with gently rising prices tempting increasing numbers of vendors into the market."

One thing is certain, the building societies will be better placed than ever before to meet demand and eliminate mortgage queues. They have forecast an increase in lending to £23bn during the current year against a little over £19bn in 1983, which means they will have to attract £750m a month from savers and another £150m a month from the wholesale markets, something which they have easily achieved in the past few months.

It is not certain how price movements will differ around the country. The ISVA emphasises that there are still unusually large local variations in price movements, both within and between individual regions.

In many areas, a "buyer's market" still exists, providing plentiful opportunities for bargains. In others, shortages are pushing prices ahead at a faster rate than for several years.

According to the ISVA: "It is clear that the market has moved into three distinct divisions; areas of high unemployment where prices are fighting hard to maintain present levels, areas where the demand is steadily increasing, with a modest upward movement in prices, and areas of dramatic demand, producing some remarkable price increases."

If averages mean anything in a highly individualistic market, the building societies reckon that house prices in London and the south east are nearly 30 per cent up on the national average, while in the north they are nearly as far below it.

There is little evidence to suggest that 1984 will see any change in that situation.

Country style

BY ARTHUR SANDLES

AND NOW *for something* the British are not supposed to know about. One of the most useful publications for anyone seeking out a UK cottage to rent is a slim dark blue booklet, Britain Holiday Homes 1984. The bad news is that since this mine of information is published by the British Tourist Authority it is only available overseas where, to add insult to injury, it is free.

U.K. residents seeking the same information must work their way through the national tourist offices of England, Scotland, Wales and Northern Ireland, or try regional tourist boards. Daft? Yes, but Government is very keen on the BTA keeping its nose out of domestic business.

Cottage rental in the UK used to be very much a hit and miss affair. Contracts were arranged on much the same basis as one might find an au pair or a lonely heart, with the main hunting grounds being the small advertisements of the quality newspapers. That certainly remains a major sector of the market, but increasingly the agencies have moved in and even private owners doing their own direct marketing often work through the tourist Boards.

The result has tended to be a rapid rise in standards. My own guess is that the average British rented cottage is likely to have a higher basic standard of accommodation and facilities than the average French *gite* for example. The British, however, appear willing to accept lower overseas standards as part of the atmosphere while complaining bitterly about them at home.

Prices vary enormously, but seem to range broadly from around £80 a week for small, and relatively simple, cottages in Wales (in high season) to £350 or more for something bigger, grander and with a bit of land along the south coast.

In spite of the improvement in standards there are a few points to beware of for first time UK renters. Unlike many villa rental companies in the Mediterranean basin it is normal for UK owners and agencies to charge extra for fuel, including electricity for lighting. By overseas villa rental standards the booking conditions can be punitive. Most overseas villa companies have a sliding penalty for cancellation. The British ones, as a rule, do not.

Another difference between domestic cottage rental and those foreign rentals which involve charter air flights is that there is no financial safety net. Domestic operators do not need to be bonded or licensed, so look for a company which has a smell of permanence about it, or deal direct with the owner—it is difficult for a proprietor to do a moonlight flit complete with cottage.

But all that is looking on the bleak side. The truth is that real problems are rare and that British cottage rental is still an overlooked way of having a holiday among the British themselves. If the idea of a thatched cottage in the west country, a log cabin in Scotland, a beamed mansion in Kent or a village fishing house in Cornwall seems appealing then collect as many brochures as possible (addresses from the tourist offices of the area concerned).

Three adjoining cottages for rental from the National Trust in Devon (Killerton House, Broadclyst, Exeter EX5 3LE for details). The Trust has dozens of properties for rental up and down the country *but they are marketed on a regional basis. Local regional offices will have details.*

Be ready for a few disappointments. Cottages are one-off affairs and your first choice may already be taken. Do not feel obliged to go to the same agency for your second choice.

And if you want that BTA booklet send a friend along to 6 Place Vendome in Paris, 40 West 57th St, New York or 171 Clarence Street, Sidney—but tell them to use a foreign accent.

Sources of information nearer home (apart from the tourist offices) include: Bath Holiday Homes, 7 Belgrave Road, Bath, BA1 6LU. Cornish Traditional Cottages, Lostwithiel, Cornwall, PL22 0HT. Country Cottages in the Yorkshire Dales, The Cow Pasture Barn, Mile House Farm, North Yorkshire DL8 3PS. English Country Cottages, Claypit Lane, Fakenham, Norfolk NR21 8AS. Heart of England Cottages, The Barrel and Basket, The Market Place, Fairford Glos GL7 4AB. The National Trust (yes, it rents property) the local regional office will have details. Taylings Holidays 14 High Street Godalming, Surrey GU7 1ED.

Heritage of England Country Houses, Bignor Manor, Pulborough, West Sussex, RH20 1PQ. Cerbid, Solva, Pembrokeshire. Country Holidays (Skipton), 21 High Street, Gargrave 27 Skipton, N. Yorks BD233RW. Mackay's Agency, 30 Frederick Street, Edinburgh. Two books, The Good Holiday Cottage Guide (Swallow £1.95), and Self Catering Holidays (Pastime 95p) are also useful.

● Aquatic Gremlins swam into last week's travel column changing a Delta into a Gulf. It is Delta Air Lines that serves New Orleans, with regular flights from London's Gatwick via Atlanta. Both airlines offer magnificent in-flight service but are not, fortunately, in direct competion. Apologies to readers who may be looking for Basin Street in the Middle East.

Taking the leap

WHAT WITH it being Leap Year week, and the sniff of Spring rising in the air a young man's (and woman's) fancy turns. . . . Quite often it turns to the idea of complete isolation. You know, hand in hand across the moors and that sort of thing.

And yet the essence of the best romantic escape clearly is to find a destination where there is something to do together. The earthier side of a romance cannot occupy 24 hours of every loving day.

It is perhaps for that reason that cities are much favoured by the romantic. Choose your city well and nothing is more than a loving stroll away. My own overseas top five would be Florence, Amsterdam, Paris, New York and Venice. All boast the sort of environment where loving can be fun. Cities like Vienna or Madrid are built on a grand scale—intimidating rather than intimate. Romance surely is about small hotels, little restaurants, museums and parks. What could be more encouraging to endearment than to stay at the Lancaster in Paris, the Algonquin in New York or the Cipriani in Venice, enjoying their cossetting while venturing out from time to time to sample the delights of the respective cities.

In Britain the choice would seem to be between Bath, York and London. All of them are magnificent centres for off-season strolling. Chester would be a good reserve, if only for the pleasure of staying at the Grosvenor.

If, *however,* your tastes run to less urban pleasures, then one can mix buccolic setting with sybaritic facilities. Britain boasts an increasing number of rural retreats.

The British Tourist Authority recently published the latest edition of its *Commended Hotels and Restaurants Guide* and this makes an excellent starting point for research. My romance money would go on Bodysgallen Hall in North Wales, Eastwell Manor in Kent and the much praised Chewton *Glen in the New Forest.*

For isolation on the wild side there is nothing like a nearby *good stretch of beach in the* winter months. Again, be careful. The bracing beaches of the west coast of Ireland are beautiful enough, but the ancillary services of the region seem to close everywhere in the off-season. Thus instead my list *would include* Camber Sands (staying perhaps at the Mermaid in Rye), Le Touquet or Marthas Vinyard.

There are more exotic, and less climatically trying retreats. *Two cripplingly expensive,* but almost excessively romantic hotels in the South of France *are worth commending to the* incurably affectionate. The Cagnard in Haute Cagnes and the Hostelerie du Chateau de la Chèvre D'or in Eze are spectacularly set hotels on the Riviera. Both are in medieval fortress villages with narrow winding cobbled streets and both boast excellent restaurants. Well, you need to keep your strength up don't you?

A.S.

An engine for all seasons

BY STUART MARSHALL

IN THEORY, the Wankel rotary piston engine should have been well on the way to hammering the last nail into the old-fashioned reciprocating engine's coffin by now. Felix Wankel designed one long before World War II. The first car (the NSU Spider) to be Wankel-powered was shown at Frankfurt in 1963 and the first example of that superlative car, the NSU Ro80, was sold over 16 years ago.

But the Ro80, like the Comet jet airliner, was ahead of its time. When it worked, it was unimaginably good. But owners *were soon holding up two, three* or four fingers in greeting to one another to indicate how many new engines they had had fitted. The Ro80 broke NSU, even though towards the end of its life reliability problems had apparently been overcome.

Toyo Kogyo in Japan picked up the torch. *I remember* driving its Wankel engined RX2 in the late '60s or very early '70s. It looked like a Morris Marina but it went like an E-type Jaguar, up to 100 mph or so. On wet days it was safer to go by bus; the Japanese didn't understand tyres in those days.

The engine was so smooth as it soared up to high revolutions one felt it had to be the power plant of the future. It was thirsty, but this was pre-oil crisis time. After 1973, when we realised that crude was not going to slurp out of the ground everlastingly and petrol prices zoomed upwards, interest in the Wankel *died* everywhere except in Japan.

Toyo Kogyo really did get it right. Its RX7 2+2 coupé, which arrived here five years ago and has sold in substantial *numbers in the U.S.,* is a real sports car—one of the few still made. Top speed is around 125 mph; it has firm suspension, taut handling and acceleration in the Alfa Romeo GTV/Audi fuel-injected coupé class. It looks pretty and does anything from 22 mpg to 30 mph, depending how you drive it. Most owners get nearer 22 mpg. It's that kind of car.

Last week, I drove one with *a colleague from Genoa to* Florence and back, mainly on the *autostrada* where the 87 mph limit is not taken too seriously by owners of faster cars. (I was cruising at 100 mph when I was overtaken by a Volvo *760 diesel!).* It was the *1984* model, little changed in looks though now fitted with ventilated disc brakes all round, 14 in wheels with excellent Dunlop Sumitomo 60 series tyres and thicker padded seats which make headroom even less generous for people of my height.

The Mazda RX7. In spite of its rotary engine, a traditional kind of sports coupe.

As a driver's car, it is entertaining. As a passenger, I felt cramped. The rear seats are a joke but they fold down to make much-needed extra space for luggage. The RX7 is well finished, comprehensively equipped (the Clarion stereo is magnificent) and has a delight*ful five-speed box.* The engine is silken up to 6,000 rpm, representing 125 mph in the marginally lower than before top gear. But is it significantly smoother and vibrationless than, say, a BMW six-cylinder 2-litre, an Audi 5-cylinder or even the Toyota Corolla GT's 4-cylinder, 16-valve 1.6 litre engine I enthused about last week?

I think not. Today, development has gone so far to over*come the theoretical disadvantages* of a reciprocating engine that the Wankel's main attraction (to those who care about such things) is its novelty, even exclusiveness. The RX7 is the only rotary engined car sold in Europe. It costs £9,999, which is £880 less than the Porsche 924 that outsells it here 2—1, £1,100 more than the Renault Fuego Turbo.

Engine apart, it is almost an old-fashioned kind of car, bigger externally than its very limited accommodation justifies—as is the Jaguar XJ-S. With hot *hatchbacks like the Golf* GTi, Vauxhall Astra 1.8i GTE, Ford XR3i and soon to arrive Peugeot 205GTi having all the attributes of a sports 2 plus 2 in performance and handling, plus four seats and lower prices, who really needs cramped £10,000 coupés any more? Only, I suspect, people who buy cars for how they look rather than what they do.

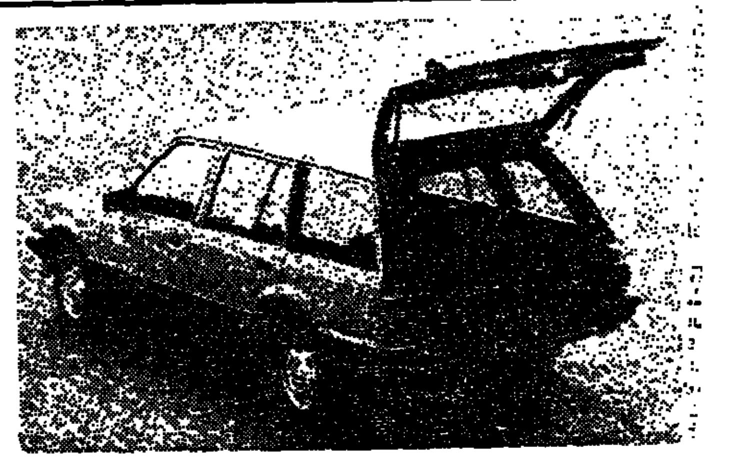
Not that Toyo Kogyo, which makes Mazda, has put all its technological eggs in the Wankel basket. Far from it. Its *1990s concept car,* the MX-02, has a 1.3-litre, in-line four-cylinder producing 100 horsepower at 6,800 rpm, with variable valve timing for peak efficiency at high or low speeds. In spite of a long wheelbase for passenger comfort *an interior spacious*ness, it turns more tightly than a London taxi, has front-wheel drive and four-wheel steering.

Toyo Kogyo, which markets a rotary engined large saloon in *Japan but nowhere else,* says it is convinced the Wankel will continue to find a distinctive niche in a specialised market. But it's hedging its bets with all kinds of reciprocating piston engines, including turbo-diesels with electronically operated direct injection. The growing trend to four-wheel drive hasn't passed unnoticed, either. Versions of the Escort-sized 323 and the larger 626 equipped with Audi Quattro-type permanent four-wheel drive are on their way.

British-made medium-size estates have been thin on the ground of late so the introduction of a Vauxhall Cavalier estate last autumn was *timely and welcome. I have* just caught up with it.

The 1.6 litre GL version went as *quickly, comfortably* and quietly as the equivalent saloon but had one of the best load compartments in the business. At only 18 inches from the ground, the floor is so low that the family labrador just stepped on board and the tailgate's lower edge incorporates the bumper.

Like the Nissan Prairie, which shares this feature, the Cavalier could not be easier to bump heavy, *bulky things into.* Seats folded down—they do so in two sections—the load floor *is over 5 ft long* and the wheel arches intrude minimally.



The high fifth gear is ideal for motorway cruising, third and fourth make light of hills with a good load on board and only the heavy-footed will get less than 35 mpg on a run. An aerodynamic spoiler built-into the rear edge of the roof helps keep the back window clear on wet motorways.

The price is £7,475, though less luxuriously trimmed versions start at £6,143. The 5-speed box is a £135 extra: automatic transmission is available at £490.

Transatlantic millions

BY GEORGE MALCOLM THOMSON

Dynasty: The Astors and their Times
by David Sinclair. Dent. £12.95, 426 pages

When the Astors came to America there were still plenty of wild creatures, in the woods and out of them. Astors were quite able to deal with both varieties. John Jacob Astor, a young butcher from Waldorf near Heidelberg, arrived in the New World in 1783, a few months after the British had evacuated New York. He brought with him seven flutes, made by Broadwood, the musical instrument manufacturer of London.

They were his only capital and, as it turned out, it was enough. Within a generation the Astor family owned 3 per cent of the land surface of Manhattan Island. They were the richest family in North America.

The foundation of their fortune was laid dealing in pelts from the North-west; after, by prudent, not to say callous, management of real estate.

The second J. J. Astor was insane, but his brother John Backhouse Astor was known as "the landlord of New York." It has been said that there have been three important Astors: John Jacob, the First, who made the fortune, William Backhouse who doubled it, and Vincent who gave it away—to charity, which made it the more extraordinary. But that was a century later.

There are two Astor British peerages. In 1890 William Waldorf, great-grandson of the Founding Father, decided he disliked American "vulgarity" and settled in England.

To make sure that his dignity was properly respected, he surrounded all his estates with walls 10 ft high. "How can you enjoy your property if other people can see you doing it?"

Over the years the Astors have not been very good at happiness. Somewhere there is a strain, surfacing every now and then, of gloom, introspection, misanthropy, moroseness, misery. (Like the Hapsburg chin.)

And love? Their chronicle is littered with broken marriages, squalid liaisons, expensive divorces. Only two women emerge as in any way out of the ordinary, and they were Astors by marriage.

Mrs Astor, *the* Mrs Astor, invented New York "High Society" more or less single-handed: the once famous, exclusive, "Four Hundred," which was supposed to be the magic number of human bodies that would fill her ballroom (it in fact held 1,200). It was, in its way, a remarkable achievement for a plain, rather silly woman, no matter how many and how huge her diamonds.

Her husband seems to have kept well out of those social triumphs, which have vanished long since. And "High Society" in New York has been succeeded by "Cafe Society"; not so exclusive, just as daft; a great deal more entertaining.

The other remarkable Astor woman is our own Lady Astor (Nancy), the southern belle who became a Member of Parliament. She proved that, even in this democratic age, a vast fortune and a caustic tongue need not stand in the way of a girl making a success of her life.

Fortune? Its great days are over. Hever Castle has gone, its owner driven by penal taxation to France. Cosy old England has turned out to be more dangerous for multi-millions than America. Astors of today have to work for their living. Just like you and me. More or less.

William Waldorf Astor: first Viscount Astor. Founder of the family's English branch

Still, the fortune has lasted for close on two centuries; not bad going for a dynasty. (How long did the Tudors last?) Our social atmosphere is not so kindly as once it was to the ostentatious display of wealth. *The* Mrs Astor, were she alive, would not be likely to cover the dinner table with inches of sand, in which she buried diamonds, sapphires, rubies and emeralds as party favours for her guests, providing each with a small silver bucket and spade.

Mr Sinclair, who himself holds strong views about how a great fortune should be used, plots a frank and, so far as is possible, compact chart of the countless tributaries of this mighty river of gold. Here is a book to read with fascination and with some, but not excessive, inclination to shake one's head over the vanity of human greatness.

Questing corporatist

BY DAVID HOWELL

In Defence of the Mixed Economy
by Andrew Shonfield, edited by Zuzanna Shonfield. Oxford University Press. £15. 231 pages

Andrew Shonfield was a corporatist, and that is nowadays not a very fashionable thing to be. He could see with crystal clarity at the end of his life that the reaction against big government and excessive state spending had truly set in. But he was not fooled by all the hand-on-heart rhetoric of non-intervention by the new market economy governments.

As he writes in this, his second posthumous book, excellently edited by his wife Zuzanna:

> "Governments have sobered up; they tinker less; they try to spend less; but they have not been able to retire from the business of intervention."

It would have been no surprise to him to find a Conservative government, sworn to roll back the frontiers of the state, struggling with far higher levels of taxation than when it started five years earlier; or being apparently driven to centralise more power in Whitehall, as proposed under the Rates Bill. Nor was he fooled by the utopian claims of monetarist professors that floating exchange rates would obviate the need for international economic co-ordination, and leave the sound money nations masters in their own house. We may be spared the devaluation crises, but the creaking dollar situation is a daily reminder of the need for more government involvement than ever if we are to secure international monetary co-operation, albeit on a different basis from that of the demand-managed past.

It was always Shonfield's restless, questing, enjoyable genius to demand to know what that basis was supposed to be: by what principles the unavoidable intervention and involvement, national and international, was supposed to be conducted. If a government that does not believe in large state intervention nevertheless finds itself stuck with a major state role, by what rules does it proceed? Where is the guiding strategy?

Shonfield's answers are not mine. He believed that benign corporate power, spread around between government, unions, industry and other institutions, can and does produce the right formula for prosperity with freedom. All his analysis, including, in this last book, five marvellous chapters on Japanese industrial policy, drove him to this view.

I differ from him because it seems to me that the corporate institutions on which his order of things relied are all now changing and dissolving far faster than he could have foreseen. A wholly different and far more diffuse pattern of labour and commercial power is emerging, and not just in Britain. All the same his questions are, as they always were, superbly apposite to our present governmental condition.

What name do we give to this new pattern now around us, and where does the power now lie in bourgeois Britain? The old collectivist consensus has gone, and with it the political dominance of the TUC, the beer and sandwiches and the Chequers weekends. The barons of the nationalised sector and of swollen local government are in retreat. But can it be said that the free market yet reigns supreme in their stead? Hardly — with the NHS still growing, the social security system costing more and more, the monopoly services still entrenched, the great financial institutions as dominant as ever. The demands for high quality public services continue unabated; the defence budget at record levels.

The reality is that the mixed economy is still with us, even if the mix is radically changing and even if the Conservatives succeed, as I very much hope they do, in pushing more state industries back to the private sector and more public services back into the market place: a trend to which Shonfield was by no means opposed.

So how will it all be controlled without still more centralisation? Will the Government turn to new regulatory bodies to help it manage this altered, privatised post-industrial scene, as is already proposed for telecommunications? And if these bodies are to become great sources of power and influence, who will control them? Will it be Ministers, Parliament and the Government Whips? Or Whitehall (or Fleet Street)?

One need not be pessimistic about this changing world settling down in due course into a calmer pattern, with clearer frontiers: and nor is Shonfield in his final words. But these questions are fundamental, and we should not be surprised if there remains a certain feeling of instability and lack of direction in public affairs until they are more clearly recognised, debated and decided. Andrew Shonfield would have helped us greatly in that.

FICTION

More kicks than ha'pence

BY ISABEL QUIGLY

The Daysman
by Stanley Middleton. Hutchinson. £7.95. 208 pages

Sunrising
by David Cook. Alison Press/Secker and Warburg. £8.50. 248 pages

Havannah
by Hugh Thomas. Hamish Hamilton. £9.95. 263 pages

The Shelf
by Kay Dick. Hamish Hamilton. £7.50. 109 pages

The new Stanley Middleton novel, a yearly event, is (like all his others) unlike the others. Like the rest, *The Daysman* is domestic, punctiliously accurate, middling in tone, milieu, and class; set in the urban or suburban Midlands; dealing with personal, everyday events rather than outlandish adventure. It is spare, well-structured, serious without portentousness, impressive for its literary personality in style, tone and idiom. Yet it goes in a new direction, as each of Middleton's novels does: creating a new world with its own social and familial climate. The pared-down style grows ever more effective; the treatment brisker, more confident.

A daysman is a mediator, an umpire, a go-between. John Richardson, headmaster of a comprehensive school, with three daughters and a rather powerful wife, keeps being called upon to pronounce, advise and mediate in all kinds of ways. Called in to persuade a drop-out girl to go to university, he finds a few days later that she has killed herself. At school, a teacher's wife bolts and he gets involved with another woman. Parents complain about their girl's black boy-friend. And so on. The moral seems to be that you can't do much, and you get no thanks for what you do. For all his efforts, Richardson gets more kicks than ha'pence.

Middleton's action is oddly constructed: it goes along straight for a while, then branches out, enlarging on some trifle, then returns to the mainline; masterly in its treatment of the ordinary. As always, nothing is explained, no judgments are made. With calm, almost alarming doggedness, economy of means and unshakeable technique, Middleton is consistently impressive.

David Cook's *Sunrising* is a delightful historical novel; though full of pathos, almost a romp; an adventure story plain though not quite simple. That it ends happily is almost, but not quite, foreseeable. It is full of coincidence (absurd but allowable), emblems, criss-crossings: the title itself is suggestive of much else. Above all, the characters are vivid—lovable, dreadable, some smellable. The awfulness of life if you are poor, young and alone in England in 1830 is overwhelmed by the love and generosity of the main characters.

Cath has left home at 16 with the boy she loves and is carrying his child when he is hanged for hay-burning at Otmoor, near Oxford. It has to do with enclosures, martyrdom, the burgeoning social awareness of the poor; Cath is left starving and alone when she mets James and Boy William, 14 and 11, who join her and provide a close-knit group against the world. William's beauty is as dangerous as Cath's youth and freshness: in an age of child prostitution (with procurers disguised as do-gooders) amber-coloured eyes like his lead them all a dreadful dance. Leon Garfield's teenage tales of low life and urban adventure in the past have a similar mixture of realism and the exotic.

Hugh Thomas's first novel, *Havannah*, is solid stuff: rather indigestible chunks of information about the complicated 18th-century wars between England and Spain and the shifts of ownership in the West Indies. It takes time to get used to the rather stodgy style of its narrator, Tom, a Liverpool boy taken to Cuba as secretary and dogsbody to the fleet's commissar, supposedly writing in old age (around the time of *Sunrising*, in fact, though how different in spirit!). Gradually interest grows. Total grasp of detail and panorama, the sheer harshness of the facts, and the authenticity of outlook, all fascinate. In the spirit of the times Tom simply fails to see the evils of slavery long-term or short, and accepts the widely held view that poor Africans, whisked away from savagery, introduced to modern life and

Stanley Middleton

Christianity, were being done a good turn, on the whole.

What makes the historical attitudes unusual is Lord Thomas's understanding of Spain and the Spanish outlook. The author of *The Spanish Civil War* has an emotional foot in each camp, and the war he describes is curiously gentlemanly at times, if vicious in detail and horrific in result (disease, rather than wounds, being the great killer). Well-known historical figures abound, for Tom hobnobs with many of the war leaders.

Then to a novella, short and slender but not slight, Kay Dick's *The Shelf*. In the form of a letter to a friend this describes a lesbian love affair that leads to the death of its initiator. Anne, divorced from a homosexual husband, mother of a child he is trying to get away from her, is beautiful, with "staggeringly sensual eyes . . . a courtesan's eyes to protect herself and unsteady the beholder." The unsteadied beholder in this case is Cassandra, who first refuses, then yields to Anne's wooing, becoming more deeply involved until Anne's mysterious death puts paid to it all and leaves even the memory of it "on the shelf"; the shelf being, in police language, the place where unclaimed papers are put when they are found in such a case.

The reader may find Anne hopeless and tiresome, an impossible neurotic, but the "courtesan's eyes" and fatal attractiveness are intensely felt and conveyed. Less real (or rather on a different level of reality, than of social realism) are some of the minor characters, friends and commentators who, by comparison with the "inner" reality of feeling, seem almost caricatured.

BRIDGE

E. P. C. COTTER

AS I HAVE said on more than one occasion, the dummy reversal seems a blind spot with even reasonably good players, and this is understandable, because to use the trumps in one's own hand as ruffers contradicts one of the fundamental principles of the game.

Let us take a hand and see how it would be tackled by the average player and the expert:

N
♠ 10 9 8
♡ Q 8 7 5
♢ K 6 4
♣ K 9 8

W
♠ 4 3 2
♡ A K J 2
♢ 8 2
♣ 10 7 5 2

E
♠ 7
♡ 10 9 6 4 3
♢ J 10 9 3
♣ Q J 6

S
♠ A K Q J 6 5
♡ —
♢ A Q 7 5
♣ A 4 3

At game all South deals and bids two spades, North replies with two no trumps. South rebids three diamonds, and North jumps to four spades. South now makes a cue-bid of five clubs, and North bids six clubs to show the King, and South corrects to six spades, which becomes the final contract. West leads the King of hearts—note that the King is correct against a slam, even if you normally lead the Ace from Ace, King.

A player of average standard ruffs, draws the trumps, hoping that they will break 2-2 and allow him to ruff a diamond, should this prove necessary. But when the trumps do not break, he prays that the diamonds will be favourably divided. As his prayers fall on deaf ears, he goes down.

The expert declarer, after studying the position, sees that a dummy reversal is called for. He ruffs the heart King with his Knave of spades, crosses to dummy's eight of spades, and ruffs another heart with his spade Queen. He crosses again to the table via the nine of spades, and ruffs a third heart with his spade King. A club to dummy's King enables him to ruff the heart Queen with his last trump, the Ace. Finally he crosses to the diamond King, draws West's remaining trump with the ten, and his slam is fulfilled—he makes an overtrick if the diamonds split evenly.

In certain cases the dummy reversal not only provides the extra trick needed for your contract, but it sets up a squeeze position which results in an overtrick. Let us see what we can learn from this hand from a pairs contest:

N
♠ A 10 9 4
♡ Q 9 8 3
♢ K 5
♣ A 10 8

W
♠ K 6 2
♡ A K J 10 4
♢ 7 6 2
♣ 6 4

E
♠ J 8 3
♡ 7 6 5 2
♢ 8 4 3
♣ 7 5 2

S
♠ Q 7 5
♡ —
♢ A Q J 10 9
♣ K Q J 9 3

South dealt with North-South vulnerable and bid one diamond, West came in with one heart, and North jumped to three no trumps. The opener now made a slam try with four clubs, which North raised to five clubs—four spades would have been better—and South bid six clubs.

When West led the heart King, South saw that, unless trumps broke badly, he would be able to make 12 tricks by drawing trumps and taking two finesse in spades against West if he had at least one of the missing honours. Looking more deeply into the position, he realised that a dummy reversal was a far safer method of making 12 tricks, and there was the added possibility of making a thirteenth if West, as was likely from his overcall, held the King, for he would be subjected to a one-way squeeze.

So, ruffing the heart King with the Knave of clubs, the declarer crossed to dummy's eight of clubs and ruffed another heart. Entering dummy again with a club to the ten, he ruffed a third heart with his remaining trump. He crossed to the diamond King, drew the last trump, and ran the rest of his diamonds. The last diamond exerted pressure on West, who was forced to unguard his spade King, or discard his heart Ace and set up dummy's Queen. So a contented North entered six clubs plus one on the travelling score sheet.

CHESS

LEONARD BARDEN

SURE way to improve your ame is to choose a leading randmaster as a model and ollow his opening ideas and iddle and endgame strategies. atiently pursued, this approach can yield remarkable esults.

The young Welsh player ohn Cooper chose Spassky as is chess hero before the Nice lympics of 1974 and made an -depth study of the ex-world hampion's favourite move gainst the popular Nimzo-Indian Defence: 1 P-Q4, N-KB3; P-QB4, P-K3; 3 N-QB3, B-N5; B-N5. At Nice Cooper had a ersonal success, the Welsh eir best ever result.

A similar technique paid off r a little-known Scottish expert, Robert Combe. During e World War II years when ere were few competitive ents, he spent his evenings the Highlands studying the eat masters of the 1910s and 20s and in particular odelled his strategy and endame on the legendary Rubinein.

In 1946 Combe achieved a ajor surprise when he won e British Championship head of the favourite Alexander who had just beaten otvinnik.

Walter Browne, frequent U.S. hampion at one time, geared is game to a Fischer style, en copying Bobby's mannerms at the board and disputes ith referees.

Fischer was also the model for the Soviet grandmasters Balashov and Psakhis: the former wrote a university thesis on his hero, and both knew all Fischer's tournament games off by heart.

Which of today's active grandmasters are the best models? Probably not Kasparov and Korchnoi, whose individualistic tactical flair and improvisation are difficult to reproduce. World champion Karpov is a more likely choice; he has a strategic style and there is easy available source material on his games in Batsford and Pergamon collections.

Two more GMs on a model short list would be Ulf Andersson, the Swede who specialises in positional openings aimed at an early favourable endgame; and our own John Nunn, who has a well-defined opening repertoire and whose best games flow with mathematical logic.

In the past, when aspiring amateurs looked for a champion whose play they could readily understand, they often selected Capablanca, the Cuban world champion from 1921 to 1927.

Many of today's GMs also acknowledge a debt to Capa's games. His lucid style and emphasis on winning by simple methods meant that his basic strategy has a timeless quality, independent of changing opening fashions.

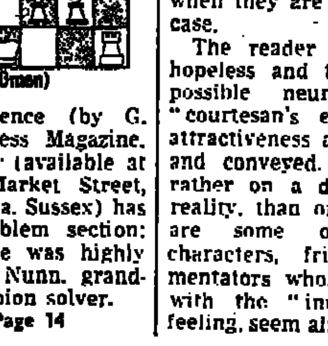
Opinion about Capablanca has altered in recent years. It was thought that his greatest asset was endgame skill, but now there is evidence of technical flaws. Capa's secrets were rather his error-free calculation and a strategic sense far ahead of his contemporaries.

He realised that many simple positions, which rivals thought level, were in fact highly favourable to him. A modern master who examines Capa's games will admire and try to copy his ability to achieve endgames or queenless middle games where he had a head start over the opposition.

Capablanca was very effective against slightly weaker opponents and probably the best player ever at simultaneous chess. Among hundreds of simuls all over the world, often against the strongest local experts, he only had poor results when he met select groups of future Soviet GMs and masters.

This simul game shows in miniature three facets of Capa's genius: simple initiative chess, precise tactics, and a won endgame at the finish.

BLACK (4 men)



WHITE (6 men)

White: J. R. Capablanca.
Black: Ribera.
Caro-Kann Defence
(Barcelona 1935)

1 P-K4, P-QB3; 2 N-QB3, P-Q4; 3 N-B3, PxP; 4 NxP, N-Q2; 5 P-Q4, KN-B3; 6 N-N3, P-K3; 7 B-Q3, B-K2; 8 0-0, 0-0; 9 Q-K2, P-B4; 10 R-Q1, Q-B2; 11 B-KN5, P-QN3; 12 P-Q5, NxP; 13 BxB, NxB; 14 BxP ch! KxB; 15 N-N5 ch, K-N1; 16 RxN! QxR; 17 Q-R5, R-Q1; 18 QxP ch, K-R1; 19 P-KR4, N-B4; 20 N-R5, Q-K1; 21 N-B6! Resigns.

White wins after 21...N-Q3; 22 NxQ, NxQ; 23 NxN ch, K-N1; 24 NxR, B-Q2; 25 NxKP, RxN; 26 N-N5.

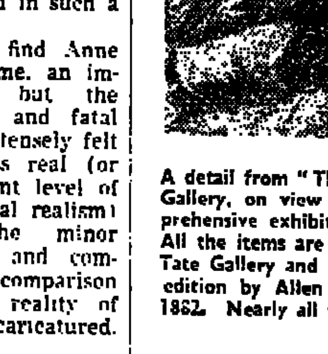
POSITION No. 504

Ribli v. Adorjan, team match, Hungary 1983. Ribli, the tame loser in the Acorn world semi-final in London, had another unfortunate experience in this diagram. His white king is trapped in the centre, while his extra pawn and temporary attack on black's queen are insufficient compensation. Black (to play) won quickly and well; how should the game end?

PROBLEM No. 504

White mates in four moves,

BLACK (9 men)



WHITE (10 men)

against any defence (by G. Jahn, British Chess Magazine, 1983). The BCM (available at £1.10 from 9, Market Street, St Leonards on Sea, Sussex) has an excellent problem section: this week's puzzle was highly praised by John Nunn, grandmaster and champion solver.

Solutions, Page 14

Scottish sting

BY NICHOLAS BEST

The Wasp Factory
by Iain Banks. Macmillan. £7.95. 184 pages

Surrounded by a battery of severed heads and the skull of the dog that emasculated him, 16-year-old Frank Cauldhame lives on a Scottish island—friendless except for Jamie the dwarf—and contemplates the number of people he has murdered in the past.

There have been three so far, all in the family: Cousin Blyth, by concealing a snake in his false leg; brother Paul, by encouraging him to play with an unexploded bomb; cousin Esmerelda, by tying her to a kite and allowing her to float out to sea (ultimate fate unknown).

There have also been innumerable animal and insect victims, many killed, in *The Wasp Factory*, an elaborate torture chamber derived from an old clock face in which wasps may choose from any one of 12 nauseating deaths. Frank Cauldhame is no ordinary Scottish teenager.

But then nobody in his family is entirely normal. Brother Eric went mad after dipping his spoon into a baby's head full of maggots. Father Cauldhame—who looks unnaturally like a woman—carries out secret experiments behind the locked door of his study. Frank sneaks in one day and discovers a supply of male hormones and a pair of tiny genitals pickled in a jar. Could it be that his father is really the mother he never knew? If so, why?

The Wasp Factory is Iain Banks's first novel, a Gothic horror story of quite exceptional quality. It is macabre, bizarre and—towards the end—impossible to put down. There is a control and assurance in the book, an originality rare in established writers twice the author's age. Breathless superlatives are always the kiss of death for a first novelist, but this is an outstandingly good read. If Hitchcock were alive, there would be another *Psycho* in the making.

Elizabethan scientist

BY A. L. ROWSE

Thomas Harriot: a Biography
by J.W. Shirley. Oxford. £25, 516 pages

Thomas Harriot was the greatest of Elizabethan scientists, with an extraordinary range of intellectual interests and scientific observations; but also something of a hidden, mystery man. Today he has several claims upon our attention, and an international group of scientists is working on the confused mass of work left in thousands of manuscript pages, to tell us what it all amounts to.

Doctor Shirley has been working like a mole underground for some 35 years, collecting material about Harriot. We must be grateful for what may be regarded as an interim report on the mass of material available. The trouble is that, to get Harriot right, one needs to be not only a scientist and mathematician, but also an Elizabethan historian, in order not to be *naif* about the age and its characteristic figures.

To the general public Harriot is best known, especially in America, for his work in connection with the first English settlement (plans are now being prepared to celebrate its Quatercentenary, in 1985). Harriot spent the whole year, 1585-86, observing everything and writing it down in his famous *Brief and True Report of the New Found Land of Virginia*. To the Elizabethans, Virginia meant North America.

Harriot's work is regarded as a prime example of early English anthropology; observations on the ways of Indian life, language, and religion; as well as climate, flora and fauna, products and prospects. The book had prodigious influence. Often published and translated, it remained for a century a prime source of information concerning conditions along that stretch of Atlantic coast.

But it is only a part of what Harriot might have given us. His papers, and many of John White's watercolour drawings, were tumbled into the sea when the colonists, unnerved by a tornado, hurriedly scrambled aboard Drake's fleet on its way back from the Caribbean in 1586.

This is only too characteristic of what happened to Harriot's work in general. He was the first algebraist of his time, along with Viète; but only a fraction of his work, on equations, was published after his death. He was apparently the first to observe sunspots; and among the few to realise that the motion of the planets was not circular but elliptical. This challenged not only Aristotelian but religious orthodoxy: the heavens were supposed to be perfect. Here was a motive for the non-publication of his work.

But he did not publish his observations on the refraction of light, on hydrostatics or on meteorology, either. Why not? That is the problem. He was greatly respected by those who knew, like Galileo and Kepler; but, like them, was suspect as heterodox.

Then, too, he was excessively busy — helping Ralegh over navigational affairs as well as his estate business in both England and Ireland. It is curious that, in a lifetime of research, Doctor Shirley has not consulted the *Diary* of Ralegh's brother-in-law, Sir Arthur Throckmorton, where he would have found references to Harriot he has missed, as well as the facts regarding Ralegh's secret marriage and disgrace with the Queen.

A detail from "The Hireling Shepherd" by William Holman Hunt, usually at the City of Manchester Art Gallery, on view at the Tate Gallery from March 7 to May 28 in "The Pre-Raphaelites," the most comprehensive exhibition of paintings and watercolours by the Pre-Raphaelite Brotherhood ever assembled. All the items are illustrated in a scholarly but lively book, The Pre-Raphaelites, published jointly by the Tate Gallery and Penguin Books (£6.95 at the exhibition, £10.95 by post and after May 28, £25 hardback edition by Allen Lane, 312 pages). It concentrates on the years 1840-60, but follows the story up to 1862. Nearly all the important Pre-Raphaelite works have been gathered together for the show, which is sponsored by Pearsons.

BEDDING DOWN

IT SEEMS a long time ago, those days when in the innocent English mind duvets were irrevocably linked with things naughty and Continental, rather like the bidet. (I like Jilly Cooper's story of her mother saying, "We've been staying with the Paterson's, darling, and they've got bidets on all their beds, so light and comfortable and so nice not having to make the beds.")

Nowadays, we are all much more knowing. The duvet or Continental quilt has become commonplace with one person in every two sleeping under its soft embrace. In 1982 4m quilts were bought in Britain, costing their new owners well over £100m.

Every high street store nowadays sells a Continental quilt of some sort, whether it be its own make or a branded name. There is a bewildering range of filling from the relatively few natural ones to the ever-increasing collection of synthetics. So how do you choose a duvet? After all, the part that really matters, the part that you are paying for, is tucked away inside those impenetrable covers.

Before you set foot in a department store you should know how a duvet works. The principle behind them is that they keep you warm by providing a bulky but extremely light barrier between you and *the outer air. In this way your* own body heat keeps you warm as the barrier above prevents it from escaping. You should never add a blanket on top of a duvet—it will not increase the warmth but will compress the air and feathers, thereby counteracting the principle of natural thermal warmth.

You should always choose a *duvet that is large enough*—it should overlap about nine inches on each side of the bed. This prevents draughts getting through.

There are quite a few ways to make sure you make a sensible choice. Price is a surprisingly good guideline. A very cheap duvet cannot be a good buy. The "cowboy outfits," as the respectable, established manufacturers call them, use poor quality covers with bad stitching, and worst of all often use reconstituted feather or chicken feathers (both of which will give heaviness but not a great deal of warmth). So buy a duvet with a branded name or the weight of a good store behind it so that you at least know you have some kind of guarantee.

There has been a British Standard for duvets for sometime but a new one was published in January and comes into effect in July. Always ask if the duvet you intend buying comes up to the British Standard BS 5335 — this doesn't mean that *those that don't are a bad buy*, but it does mean that those that do have met certain minimum standards.

The British Standard deals with the main qualities that you need to look out for—the filling and the construction have to be described accurately, the tog *rating must be declared* (the higher the tog rating, the greater the insulation factor, 4.5 is generally reckoned to be the minimum for summer use, nine to be average for warm weather and 13.5 is the rating required for those who like to be extra warm), *the casing has* to be made of closely woven fabric and the measurements must be clearly stated.

The filling of course provides the insulation to keep you warm but since it is invisible it *is worth* noting the advantages of the most common fillings. By and large it is the weight-to-warmth ratio that you pay for —*the most luxurious* and expensive of all fillings is the pure eider because it provides a great deal of warmth and yet is wonderfully soft and light. However, the eider is a protected species and its down has to be collected from its nest, so prices are, to put it mildly, *high. Harrods, for instance*, sells a single size at £995, a double at £1,495 and a queen size at £1,795.

Next in line and perfectly luxurious for most of us are the goose down filled quilts (the down must come from the *breast only of goose or duck and* must contain no more than 15 per cent of feather). At John Lewis these are £65 for the single size, £109 for the king size.

Then comes the down and feather (whichever word leads first, is present in the higher proportion—in this case there must be a minimum of 51 per cent down). After this comes feather and down (there must be minimum of 15 per cent down). Feather, you will have gathered, is the least desirable of the natural fillings, being heavier and spikier and having less insulating qualities for *its weight*.

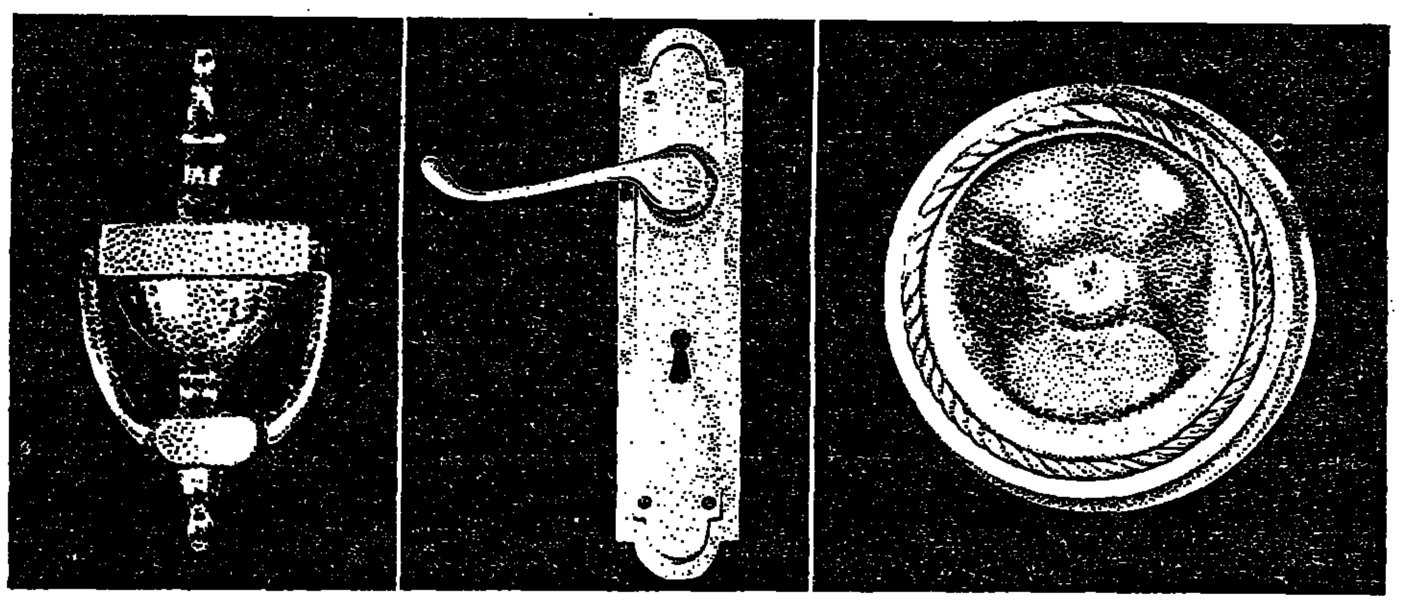
These then are the major natural fillings available. Synthetic fillings seem in recent years to have been taking an ever-increasing share of the market so that at the moment they seem to have some 70 per cent. The reasons for this are not entirely clear (though natural filling supporters mutter darkly about the shorter life of synthetic fillings and how they need replacing more regularly).

By and large the pros and cons can be summarised as follows—natural duvets, it seems generally agreed, if of good quality, last longer, give a better weight-to-warmth ratio, drape better and give a high level of satisfaction. Good quality synthetics equally, give a high level of satisfaction, are especially useful for those who are allergic to dust and feathers and are generally preferred for children (who may be sick or spill food or drinks) in which case the duvet may need more frequent cleaning or washing. *In general their life* is much shorter.

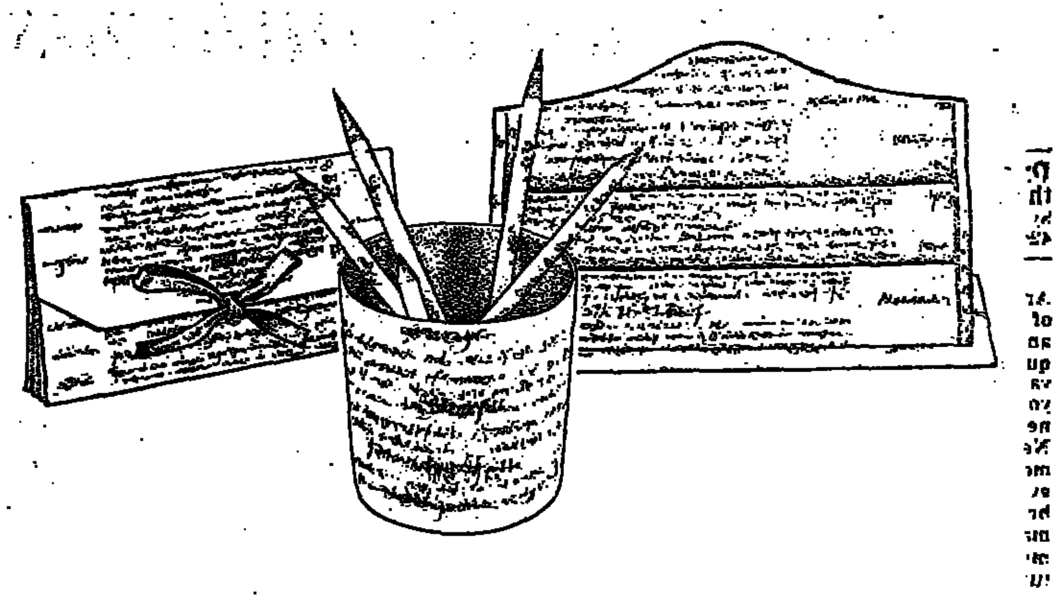
There is now a vast number of synthetic fillings—so vast that it is impossible to evaluate them all. Your best protection, as I said earlier, is to go for a branded name or buy from a shop with the name for quality—people like John Lewis and Marks & Spencer have their own makes and put their own name on the line when they sell them.

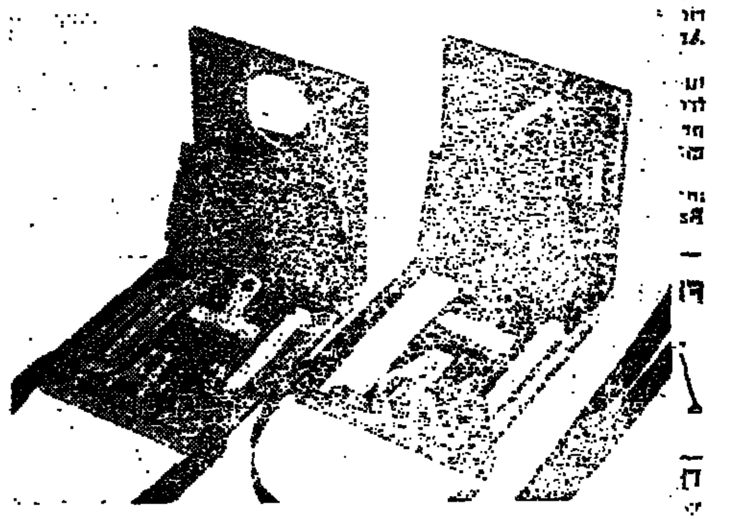
Buy the best quality you can afford (*the difference between* the best and the next best is often not very much—that is, if you disregard eider). Check on the cover itself—it should be fine cambric or cotton and should be down-proof (in other words it should be finely woven so that no down escapes) and channelled or otherwise divided into compartments so that the filling doesn't all sink to one end.

Duvets take very little care or upkeep. They should be aired from time to time and I would always get them professionally cleaned, though both the Duvet Council (newly established, it deals only with natural duvets and if you send a sae to Hesketh House, 43-45 Portman Square London W1 will send you a useful free information booklet) and the synthetic duvet manufacturers emphasise that they can be washed if this is done carefully. Most dry cleaners nowadays offer a duvet cleaning service.



More home office news





THE PAGE on the Home Office a couple of weeks ago, judging from my mail bag, seemed to interest a lot of readers. Quite a few of you wrote in with interesting suggestions of your own, clearly developed through a concentrated need to think about the subject.

I particularly liked the practicality of Roger Ford's discovery. He has been using for several years what he describes as "the most cost-effective and ecological box-filling system—the E10 size detergent pack. When the top is cut off, the resulting container is ideal size for A4 documents and magazines and larger envelopes.

"True," he points out, "the cardboard eventually suffers *from terminal fatigue and* tears, but by then a lot more detergent has gone through the washing machine. A major *technical development in this* system is the recent introduction by Sainsbury of corrugated craft board for its E10 packs which is both stronger and more rigid than the grey cardboard used by Persil et al.

"The only problem comes when you take a file to a meeting where a detergent box on the table might be considered eccentric. Of course," he adds helpfully, "the box could be covered in coloured paper."

Several other readers wrote in pointing out that I had failed to mention the practicality of mobile storage trolleys which can be wheeled in and out of offices or under and out of the desk. I, too, am a great believer in them (for instance, the Boby trolley, sold by Ryman's and other office suppliers for about £99) and did not include them because I have mentioned them before and because of lack of space.

Now for a few accessories to soften the look of the home-based desk. Top, is just a *small selection of the* exquisite range of diaries, address books, files and other stationery sold by The Italian Papershop now at 11 Brompton Arcade, Knightsbridge, London, SW1 (having moved from Lower Sloane Street).

The file, letter-rack and pen-holder (and, indeed, the pens) are all from the Manuscript range, an elegant combination of black lettering on buff paper — the accordion file is £15.30, the letter-rack is £10.85 and the round pencil-holder, £2.50. Pencils are 45p.

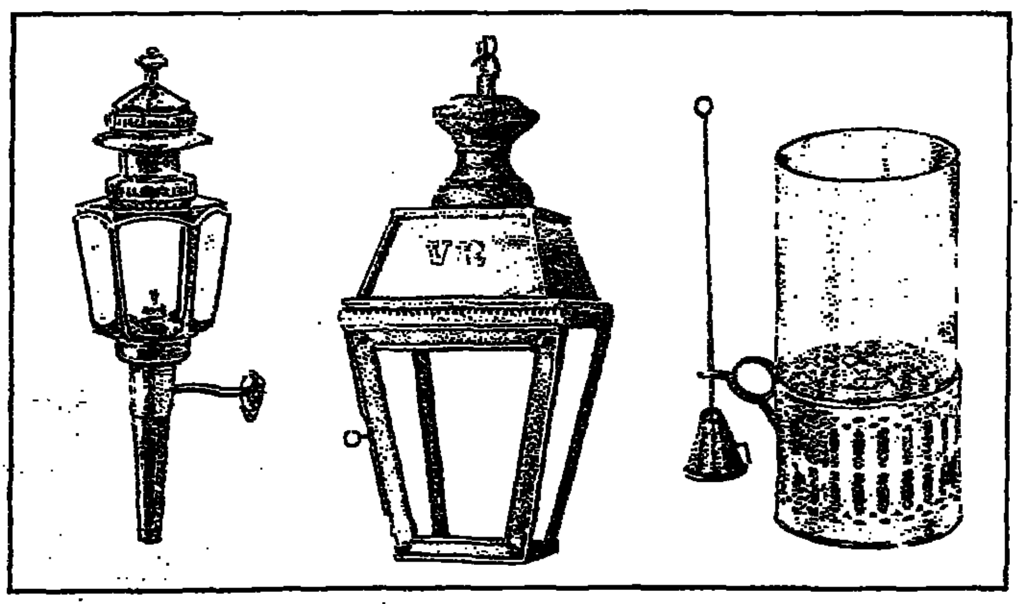
Besides the Manuscript range the shops also sell hand-printed marbled papers, miniature chests of drawers, jewellery boxes and fans.

Immediately above, in *sleek and modern mood*, is a sharp black, red or transparent case, ideal for storing all those pens, rubbers, paper clips et al. A *good gift for a* child, particularly, as it comes with its own carrying strap, or else can be used as a handy desk-tidier. £5.96 from Paperchase shops and from Dawn Publications, Brighton, Bristol Guild, Bristol or details from Ian Logan Design, 42 Charterhouse Square, London EC1.

Inspecting the top brass

ABOVE is a selection of the door furniture. Most of this collection is imported from India and the designs should provide enough choice to please almost every taste—the highly ornate, the traditional, and the starkly simple. There are beautifully plain letter-boxes, solid round doorknobs, bolts and chains. Sketched here, left to right is a front door knocker, 203 mm high, £5.95, a door handle and plate, £9.50 and a large centre door knob (76 mm in diameter), £9.

Sketched below, are three of the most popular of the range of lights and lanterns that are all made by hand in solid brass on the premises. From left, the Phaeton lamp is 23 ins high and is £38. In the middle is the Kensington pendant, 18 ins high, for £48 and finally on the right is one of the best-sellers of all, a small (8 ins high) hand candle lamp, much sought-after for barbecues and outdoor eating, which costs £9.



DOWN in that newly fashionable part of London, the area round St Katherine's Dock, there is a small and at first sight insignificant workshop outside which the grandest of grand cars sometimes draw up. Word has got around that there may be found a whole range of useful and fascinating items all made in brass, all at prices that seem quite astonishingly low when compared with those currently *prevailing in department stores* with their higher rates and larger overheads.

Interbrass is the name of the workshop and it is at 404 The Highway, London E14 (about one mile east of St Katherine's Dock) and it is run by an ex-Swiss Air pilot called Peter Maurice.

He'd done an engineering *apprenticeship in the fifties* and knew how to work brass—his travels around the Far East had made him realise just what *could be done with* the material.

"After two airlines closed under me the final straw came when I was working at Handley Page and saw Kenneth Cork (of receivers Cork Gulley) walking through the door—it was the third time in three months. I decided a change of job was needed."

He started by pulling apart traditional English and French style lamps learning how they were made and making replicas of them. He discovered a huge need for exact copies of old things, for designs that people felt easy with, that fitted into the houses they lived in.

He works only in solid brass. For out of doors he recommends that his lanterns and door knobs are used unlacquered — no *amount of lacquer can stop the* interaction with the atmosphere which is what gradually changes its colour. "Keep it unlacquered *and polish it once a week*—it'll look lovely," is his advice.

For indoors he recommends that you buy his products double-dipped in lacquer and then just the occasional clean with a damp cloth will keep it looking good for years.

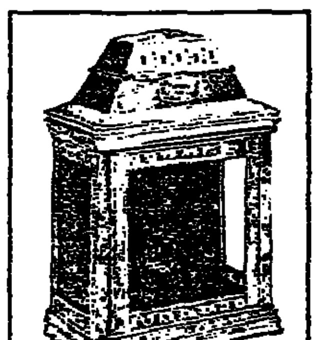
Though there is a standard range of lanterns of all sorts, of lights and door fittings (most of these latter come from India)) Peter Maurice is always willing to make to special commission. He's made copies of genuine John Adam locks for grand houses, or intricate door plates to match up with original ones. He makes fine brass sash locks—as he points out, most people have rather dreary steel ones which sell at £1.50 a set, his only cost £2.25 yet look a whole lot classsier.

He does a whole host of the sort of smaller things that are not always possible to find—things like brass window stays at prices ranging from £2.50 to £3.25, brass numbers (£1.50 each), letters (£1 each), brass hinges for doors (£4 the pair). He also produces a handsome range of simply designed dimmer switches.

Though Peter Maurice likes his customers to visit his shop —there he can advise and show them the whole range—he will sell things like the brass letters, numbers and door furniture by mail. Some of his lights and lanterns are also available in good shops like Harrods of Knightsbridge, London, SW1, Peter Jones of Sloane Square, London SW1 and *branches of* Town and Country Lighting.

Here, sketched, is a tiny selection to give the flavour of Interbrass.

Drawings by Michael Daley
Cartoon by Gabrielle Izen



Stable lamp, measuring 12 ins **high, costs £26**

Back to Bax

On the past three Wednesdays Radio 4 has been commemorating the 50th anniversary of Sir Edward Elgar's death. Julian Glover has played the composer; there has been some of his music; John Rowe has spoken a narrative by Jerrold Northrop Moore, and we have had a good, wide view of Elgar's life. On Sunday Capital joined in with a programme called *Enigma*, a collaboration with Radio Wyvern at Worcester. Here we had Elgar at the end of his life, reflecting in a soliloquy by Robin Blake on the events of his days, illustrated by recordings (not more than two minutes or so at a time) conducted by Elgar himself between 1927 and 1932. John Woodvine played the old man, and though I'm not mad about monologues of this kind, I thought the programme gave Elgar his due.

Any listener who still wanted to know about Elgar's private life could then hear Douglas Slater's *The Last Recording*, Thursday's Afternoon Theatre on Radio 4. This paralleled the material of *Enigma*. It told how Elgar, on his last sickbed, agreed to supervise a recording

RADIO

B. A. YOUNG

by telephone, the LSO being in the Abbey Road studio and the composer in his bed at Malvern. But time moved forward and back, so we heard of sundry other episodes, from the performance of *Caractacus*, to the sketches for the Third Symphony, with the family and the musical world dropping in and out. Elgar emerged as a conservative country gentleman who composed music as others collect stamps or build model railways. Timothy West — who else? — played Elgar, and the director was Ian Cotterell.

But last year we also have the 100th anniversary of the birth of Sir Arnold Bax. I've sworn not to attempt music criticism here, so it's irrelevant that I should think Bax's music 50 times better than Elgar's. What is relevant is that Bax was a far more interesting man, as we learnt from the hour-long biographical piece on Radio 3 last Sunday, *The Golden Age has Passed*, written and presented by Michael Oliver, and repeated from a *Music Weekly* that marked the birthday last November.

Bax was as different from Elgar as could be. He had lots of money, so he could do what he liked. (Elgar was 40 before he could devote himself solely to composition.) His music belonged to no school, in spite of his association with Yeats and the "Celtic twilight." He wrote stories and poems under a pseudonym. He was sympathetic to the Irish nationalists, and learnt to speak and write Irish. He had a variety of mistresses, one of whom he pursued to Russia, one of them a pianist for whom he wrote a concerto. On his deathbed, he confessed that he had no religious belief, but reckoned the Moslems were nearest the truth. (His brother, Clifford Bax the playwright, was a Buddhist). Bax, like Elgar, became Master of the King's Musick. Yet apart from those dutiful broadcasts at anniversary time, he never had the Elgar treatment. When I asked for his Sonata for two pianos in a programme called *I Know What I Like*, the BBC record library dusted off a couple of discs that whizzed round at 78 rpm. Let's have justice for Bax!

The BBC really prefers the anniversaries of the living. On Tuesday Radio 4 gave us *Arlott at 70*, a sort of *This Is Your Life* without the pictures, in which that versatile septuagenarian gave us a run round his memories. On the same day, Radio 2's Gloria Hunniford's guest was Eamonn Andrews (at 61), finding out what it's like from the other side. To keep our minds off the present, they also had *The Golden Age of Hollywood* (this week, 1949) and *Where Are the Eggcups?* (recorded 1949). Radio 2 loves the old times. Sunday, *The Man from the Ministry* (1973); Wednesday, Hubert Gregg in his amiable *Thanks for the Memory*; Friday, the third of ten programmes called *Old Stagers*, about old-time actors, in this case Grace Moore. Radio 4 keeps abreast: Sunday, *I'm Sorry, I'll Read That Again* (1967); Tuesday, *In My Young Days*, reminiscences of 60-year-olds; Friday, *War And Peace in Our Time*, about the Algerian War of Independence, 1954-62. Then there was *Brian Johnston at 72* . . . oh no, that was *Down Your Way*. The Corporation is wonderfully loyal to its old-timers, though I suspect it's partly due to economy.

Radio 3 can go back to the 14th century now and then, but that's a special case. This week they gave us *The Noisemakers*, about the music of the Futurists, the first *musique concrète*, and this was before World War One.

Thermal underwear at Berlin Festival

Nigel Andrews offers a cool look at the first week of the Berlin Film Festival.

In Berlin February is the cruellest month. When not reviving frostbitten festival guests or thawing out frozen critics in front of a warm Lubitsch restrospective, the Berlin Filmfestspiele occupies itself trying to blast some heat into the Main Competition. That implacable event usually takes several days to warm up, and at the time of writing it is still wearing its thermal underwear.

Only Maurice Pialat's *A Nos Amours* and Jean-Marie Straub's *Class Relations* have radiated an inner glimmer. The first is a sprightly guided tour of adolescence and father fixation by the director of *Loulou*; the second is his first ever leap into into a festival competition by the avante-garde German director of *Othon* and *History Lessons*.

A Nos Amours has a spellbinding teenage heroine in Sandrine Bonnaire, with her Dominique Sanda looks, deep-set sulky eyes and air of haughty self-possession. We the audience sit helplessly by as she throws herself from lover to lover, trying to appease or outgrow her Electra complex. For her heart belongs to Daddy (played by Pialat himself) and no boyfriend must last long enough to threaten Poppa's primacy.

Silences expand between slates of icy dialogue, punching and screaming matches erupt at home, and for half its length the film is fiercely, caustically hypnotic. Thereafter, alas, it starts to repeat itself and we swap realism for ritual: by the end, Mlle Bonnaire's affectless nymphomania, ninepinning male victims all across Paris, has become as wearing for us as for her.

For Straub, by contrast, repetition works wonders. In shot after shot of *Class Relations* the camera plonks itself down and stays stock still like a chameleon: but with ever open eyes and tongue ever ready to seize a juicy line or look. This version of Kafka's *Amerika*, made in black-and-white by Straub with his wife-collaborator Daniele Huillet, is an essay in alienation (psychological and Brechtian) run riot. Characters recite their speeches in a stricken deadpan recitative; dreams of social mobility become the stuff of spiritual and geographical paralysis: human profiles frame themselves against walls like stuffed animal trophies: and despite longueuers Straub-Huillet have perhaps taught a lesson to Orson Welles (who made the wildly over-baroque *The Trial*) by finding the simplest, boldest, most darkly methodical way to film Kafka.

Ernst Lubitsch, Gary Cooper, Miriam Hopkins and Frederic March in Lubitsch's 1933 'Design for Livinp'

From America came two films representing the high and low ends of the Hollywood opulence scale. James Brooks' *Terms of Endearment* is an all-star comedy-drama lensed in a pastel sparkle by Andzej Bartkowiak (of *Daniel*) and starring Shirley MacLaine and Debra Winger as a mother-daughter duo struggling through their separate but jauntily cross-cut—life-crises: Sex, motherhood, infidelity, illness etc. Under its brittle sophisticated guise this is really the-ultimate-Sitcom-meets-the-ultimate-Soap Opera. But it's also oddly compulsive. Especially when Jack Nicholson is in frame, stealing every scene he's in as a lecherous, bibulous ex-astronaut who became MacLaine's lover.

Lynne Littmann's *Testament* is plain and inexpensive with a no-star cast. It's also quietly devastating, as we watch the people of a small California town die slowly off—over weeks rather than days—from the fall-out of a nuclear blast in San Francisco. All the more frightening for being reticent (as opposed to the B-movie blusterings of *The Day After*), it's superbly acted by Jane Alexander, William Devane and Ross Harris.

Elsewhere in Berlin the new has been upstaged by the old. The Alfred Hitchcock Travelling Quintet (*Rope, Rear Window*, etc) has been received with due rapture. And we were treated to F. W. Murnau's silent vampire classic *Nosferatu*, given the full orchestra treatment *a la Napoleon* in a version also restored and colour-tinted.

Above all, that Viennese *ubermbensch* Ernst Lubitsch has been lording it in this year's retrospective. Thirty-one of the director's early German and American comedies and costume romps (made between 1917 and 1930) have played, pixilated into sonic life by a relay team of piano accompanists. More than any of his contemporaries, Lubitsch made sets sparkle, relationships crackle and lines of dialogue ping (even in a silent film). And he turned almost every actor and actress he handled into a hive of comic invention: from the naturally wacky Pola Negri, vamping away *a la folie* in films like *Carmen* and *Forbidden Paradise*, to the naturally *un-wacky* Gary Cooper and Herbert Marshall from whom he coaxed comic "takes" and timings they never matched with any other director.

Lubitsch's approach to cinema was unashamedly theatrical: there are exits and entrances, a pungent pong of the proscenium, and many of the films are explicitly divided into "Acts." But his greatest weapon couldn't be found at all in the theatre's arsenal: the human face magnified a hundredfold and teeming with luminous signals of distress, desire, disdain, hope, love, jealousy, delight. All the emotions, in fact, that we're still hoping to encounter in Berlin: outside as well as inside the Lubitsch retrospective.

Plans for MusICA

The sixth MusICA series will consist of 10 programmes in which most of the music is being performed for the first time in this country.

The season opens on July 8 with a concert coupling cantatas by Hungarian composers Zoltan Jeney and Laszlo Vidovszky. Other areas opened up in the past include the music of Gerald Barry, and this year MusICA includes the first performance of his new work for two pianos.

MusICA is sponsored this year by Diner's Club.

Pop hits jackpot

The record industry has hit a good patch, both commercially and artistically. The two must be linked—the higher sales of recent months following remorselessly on from an improvement in the musical imagination. There is a feel of the sixties about—British bands dominant in the U.S.; the business glamorous again thanks to the promotional video, which has transformed, and enlivened, the way pop music is presented to the mass audience on TV; and an avalanche of bright, bouncy and colourful artists—the eighties parallel to the Hollywood sparkle in the thirties depression.

The quickest way into the revival is through a compilation album like *The Tube* (K-Tel), built around the Channel 4 programme which offers the liveliest look at the passing pop scene. The 18 songs parade the variety of the music, but are cemented together by sophisticated production and recording skills; an emphasis on dance rhythms; a strong renaissance of melody. Style, is all important even if the posture of the artists included ranges from the macho chic of Wham to the refined punk of U2. What also comes across is the good singing: considerable pride and professionalism is now going into these casual and fleeting expressions of mass culture and, temporarily at least, poor singers with charisma are out. Key tracks into the new pop boom are by Eurythmics, U2, The Pretenders and The Assembly, but the whole album provides width if not depth.

Not included on The Tube but very typical of now are The Thompson Twins (forget about them being Thompsons or twins). The three musicians involved, Tom Bailey, who takes the powerful lead vocals, Alannah Currie and Joe Leeway, handle all the writing, arranging and instrumentation, and manage to sound on the latest album, *Into the gap* (Arista), like the massed ranks of the Musicians Union. There is something for everyone here, from harmonica to xylophone, but the use of synthesisers and electronic gadgetry is not allowed to swamp the songs. This is not music at the service of the hardware but an imaginative harnessing of modern techniques to decorate some decent sounds, not least the yearning "Doctor! Doctor!"

All these bright young things have had a stimulating effect on the Rock Establishment, dozing away around their Malibu pools. Queen, who in their day were capable of mind blowing pretension, seem to have adapted easily to the current sophisticated street level sound on *Queen: The Works* (EMI) even if the good intentions of the first track, "Radio Ga Ga," an attack on current sounds but using their melodic directness, soon gives way to an old fashioned, if rather unconvincing rock stomp on "Tear it up." Queen cover themselves all ways on this album, sometimes letting singer Freddie Mercury open up like a middle of the road balladeer, sometimes going rockabilly, or heavy metal, going anywhere in fact for some ideas. This seems the work of a rich band, straitened for musical inspiration, but with enough talent to release a competent set of songs.

Madness are in an even more difficult position. They were to the fore in the new wave of the late seventies and have seen their fresh cockney knees-up charm dated and dented by pretty young boys capable of working up the imaginations of the teen girl market. But Madness have hit back hard with *Keep Moving* (Stiff), which is

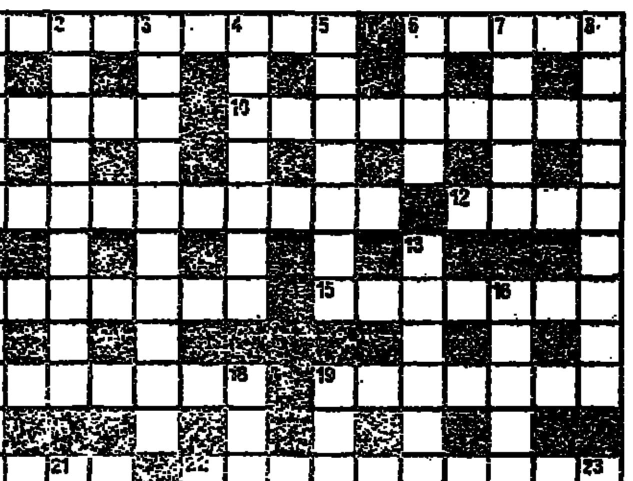
RECORDS

ANTONY THORNCROFT

quite a smooth little number, from the horns of the title track to the delicate mesmeric hook on "Michael Caine" their eighteenth consecutive top twenty hit. There are also thoughtful moody ballads like "One better day." Madness are maturing gracefully, and successfully, on this showing.

Very successful records these days appeal to the young but also their parents who grew up on the Beatles and are not yet ready for "Friday night is music night."' A good example of this "cross-over music" is *Bodies and Souls* (Atlantic) the latest album from Manhattan Transfer, which has the close harmony quartet more funky and less pastiche ridden than in the past —music to shake a toe to, if not a leg. Finally two curiosities—*Making History* (Island) by the Jamaican poet Linton Kwesi Johnson, which tackles black themes with bias, bile and genuine passion, and *She so unusual* (CBS) by pert American Cyndi Lauper, which is alcohol flavoured bubble gum music and quite fun.

F.T. CROSSWORD PUZZLE No. 5,352



A prize of £10 will be given to each of the senders of the first three correct solutions opened. Solutions must be received by next Thursday, marked Crossword in the top left-hand corner of the envelope, and addressed to the Financial Times, 10 Cannon Street, London EC4P 4BY. Winners and solution will be given next Saturday.

Name ....

Address ....

....

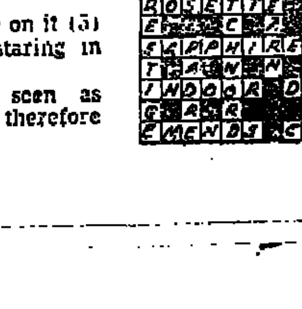
ACROSS

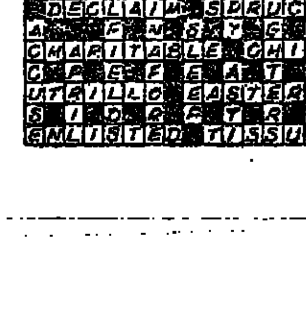
1 Make a mistake before the scene is finished (6)
6 Tick off for getting tick on it? (5)
9 Short and direct (5)
10 Scene shifter mixes some silver with the sand (5-4)
11 Goes round and covers the entrances (10)
12 Singer anxious to make a come-back (4)
14 Outline a genealogical tree showing ancestry (7)
15 Somebody incompetent (7)
17 Stop using sling (7)
19 Not good at games but talks a lot (7)
20 Not working clothes (4)
22 Passed away, afflicted with an internal strain (10)
25 Move to take off instrument showing charge at destination (9)
26 Mob breaks up after sailor produces weapon (1-4)
27 Gets better sound from cobbles (5)
28 About to introduce picture (6)

DOWN

1 Go round the globe on it (5)
2 They've left me staring in bewilderment (9)
3 Flattered in to be seen as smooth and therefore imitated (4-6)
4 Talk on energy as a source of heat (3, 4)
5 Business is over one quarter part-exchange (5-2)
6 Soaks up food (4)
7 One can count on them having a vehicle going back to the island (5)
8 Stop Press: they're inside the bookcase! (3-5)
13 Regular companion is member of same club (6-4)
14 Where infantry digs in for final scrap? (4, 5)
16 Is filled with pitch and sulphur (9)
18 Tramp ship (7)
19 Leave the pitch: back there is a device for catching animals (3, 4)
21 Some of the American states used to make tea (5)
23 Rolled up for the launching (5)
24 Current strength of top-grade representatives (4)

Solution to Puzzle No. 5,351





SOLUTION AND WINNERS OF PUZZLE NO. 5,346

Mrs A. Dickson, 239 Brunshaw Avenue, Burnley, Lancashire.

Mr John Vallintine, 36 Wendover Court, Chiltern Street, London W1.

Mr J. Smith, Fairfield, Tite Hill, Egham, Surrey.

*Indicates programme in black and white

BBC 1

8.35 am Godzilla. 9.00 Saturday Superstore.
12.15 pm Grandstand, including 12.45 News; Football Focus (12.20); Cricket: One-day International (12.50); Boxing (1.20, 2.10); Racing Preview (1.40); *Racing from Punchestown* (1.55, 2.25, 2.55); Swimming (2.40, 3.10); Rugby League (3.30, 3.55); Final Score (4.40).
5.05 News.
5.15 Regional Variations.
5.20 The Rod and Emu Show.
5.55 Jim'll Fix It.
6.30 The Action Film: 'The Great Waldo Pepper,' starring Robert Redford with Bo Svenson, Susan Sarandon, Margot Kidder.
8.15 Les Dawson.
8.45 News and Sport.
9.00 The Odd Job Man.
9.50 Wogan.
10.40 Match of the Day.
11.30 Late Night Horror: 'The Ghoul,' starring Peter Cushing, John Hurt.

REGIONAL VARIATIONS:

Wales — 5.15-5.20 pm Sports News Wales.

Scotland — 5.15-5.20 pm Scoreboard. 10.40-11.30 Sportscene: Football: Highlights from an outstanding match in the Scottish Premier League. Cross-Country: Highlights from the Scottish National Championship Run at Irvine.

Northern Ireland — 4.55-5.05 pm Northern Ireland Results. 5.15-5.20 Northern Ireland News.

England — 5.15-5.20 pm London: Sport; South West (Plymouth): Spotlight Sport; all other English regions: Sport/Regional News.

BBC 2

6.25 am Open University.
3.10 pm Stars of the Silent Screen: Douglas Fairbanks Snr in 'The Iron Mask.'
4.30 Saturday Cinema: 'Sinbad the Sailor,' starring Douglas Fairbanks Jr, Maureen O'Hara, Walter Slezak.
6.25 Modern Art: Pissaro.
6.50 Sight and Sound in Concert: Aswad.
7.30 News and Sport.
7.45 Elgar's Enigma with Leonard Bernstein, featuring the BBC Symphony Orchestra in a programme marking the 50th anniversary of Elgar's death.
9.30 C. P. Snow's 'Strangers and Brothers.'
10.40 The Light of Experience Revisited.
11.00 John D. Doudermilk and his Music.
11.30 News on Two.
11.35-12.20 am Cricket: One-day International.

LONDON

6.25 am TV-am Breakfast Programme. 9.25 LWT Information. 9.30 Sesame Street. 10.30 The Saturday Show.
12.15 pm *World of Sport*: 12.20 Athletics; 12.35 Rallying; 12.45 News; 12.50 On the Ball; 1.20 The ITV Six: 1.30 Doncaster; 1.45 Kempton; 2.00 Doncaster; 2.15 Kempton; 2.30 Doncaster; 2.45 Kempton; 2.55 Darts; 3.40 Championship Boxing Preview; 3.45 Half-Time Soccer Round-up; 4.00 Wrestling; 4.45 Results.
5.00 News.
5.05 Fraggle Rock.
5.35 The Fall Guy.
6.30 Child's Play.
7.00 3—2—1 . . . Country Style.
8.00 Silver Streak starring Gene Wilder, Jill Clayburgh and Richard Pryor.
10.00 News.
10.15 Professional Boxing — European Middleweight Championship.
11.15 London News Headlines followed by Rock Concert, Osibisa at the Marquee.
12.15 am Best of Saturday Night Live, and Night Thoughts with Michael Meacher, MP.

CHANNEL 4

1.55 pm Make it Pay.
†2.20 Rage in Heaven. A wealthy but psychotic millionaire industrialist hatches an ingenious murder plot against his wife and his best friend.
†4.00 Return to Glennascaul with Orson Welles.
†4.20 Joie de Vivre: animated film.
4.30 *Mama Malone*.
5.05 Brookside.
6.00 No Problem!
6.30 The Other Side of the Tracks.
7.30 News Headlines followed by Union World.
8.00 Twenty Twenty Vision.
8.30 Sir William in Search of Xanadu: the Story of the Burrell Collection.
9.30 The Avengers.
10.30 Tennis: Davis Cup: England v Italy.
†11.45 The Mask of Dimitrios (1944). Peter Lorre plays a Dutch mystery writer who is intrigued by the murder of an international criminal in Istanbul.

S4C WALES

2.00 pm A Week in Politics. 2.40 Basketball. 3.35 Feature Film: Bitter Sweet. 5.05 Yr Awr Fawr. 6.05 The Incredible Hulk. 7.00 Ser. 7.30 Newyddion. 7.45 Siwrne Dda. 8.25 Treasure Hunt. 9.25 Y Maes Chwarae. 10.15 Aralwg. 10.45 Davis Cup Tennis. 11.45 Feature Film: The Spiral Staircase.

REGIONS

All IBA regions as London except at the following times:

ANGLIA

9.25 am Vicky the Viking. 10.05 Stingray. 5.35 pm Knight Rider. 11.15 Snooker 1984. 12.40 am At the End of the Day.

BORDER

9.25 am Vicky the Viking. 9.50 Once Upon A Time-Man. 10.15 The Smurfs. 5.35 pm Knight Rider. 11.15 The Fugitive.

CENTRAL

9.25 am The Wonderful World of Professor Kitzel. 5.35 pm Knight Rider. 11.15 The Roots of Rock 'n' Roll: 1975-1980.

CHANNEL

9.25 am Thunderbirds. 10.20 Gus Honeybun's Here. 5.05 Gus Honeybun's Here. 5.40 Knight Rider. 11.15 The Roots of Rock 'n' Roll.

GRAMPIAN

9.30 am Noddy. 9.45 The Smurfs. 10.10 Falcon Island. 5.35 Knight Rider. 11.15 The Devlin Connection. 12.15 am Newhart. 12.40 Reflections.

GRANADA

10.20 am Cartoon. 5.35 pm Knight Rider. 11.15 The Roots of Rock 'n' Roll. 12.10 am Thriller.

HTV

5.35 pm Knight Rider. 11.15 Hill Street Blues.

SCOTTISH

9.25 am Cartoon Time. 9.35 Happy Days. 10.00 The Flying Kiwi. 10.25 Adventures of the Mouse on Mars. 5.35 Knight Rider. 11.15 Late Call. 11.20 The Saturday Night Music Show.

TSW

9.25 am The Wonderful Stories of Professor Kitzel. 9.30 Freeze Frame. 10.27 Gus Honeybun's Magic Birthdays. 12.12 pm TSW Regional News. 5.40 Knight Rider. 11.15 The Roots of Rock 'n' Roll. 12.15 am Postscript.

TVS

9.25 am Wattoo Wattoo. 9.30 Ivor Honeypot Competition Winner. 9.35 The Smurfs. 10.00 Mork and Mindy. 5.35 Knight Rider. 11.15 Jazz. 11.45 Comedy Tonight. 12.15 am Company.

TYNE TEES

9.25 am Morning Glory. 9.30 Sport Billy. 9.55 The Flying Kiwi. 10.25 TT Time. 5.40 Knight Rider. 11.15 The Roots of Rock 'n' Roll. 12.15 am Peel's Corner.

ULSTER

9.25 Space 1999. 10.20 Cartoon Time. 5.08 Ulster News. 5.40 Knight Rider. 11.15 Star Parade. 12.10 am News at Bedtime.

RADIO 1

(S) Stereo broadcast

8.00 am Tony Blackburn's Saturday Show. 10.00 Dave Lee Travis. 1.00 pm Hitsville USA (S). 2.00 Paul Gambaccini (S). 4.00 Saturday Live (S). 6.20 In Concert (S) featuring Juluka. 6.50 Sight and Sound Concert (S) featuring Aswad. 7.30 Janice Long. 10.00-12.00 Gary Davies.

BBC RADIO 2

8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm Bernie Clifton's Comedy Shop. 1.30 Sport on 2: Cricket: Reports from Auckland on England's final match in New Zealand. Swimming: The Sun Life International. Tennis: Commentary on The Davis Cup between Britain and Italy. Racing from Kempton Park. Rugby League: The State Express Challenge Cup. Rugby Union: Commentary on The John Player 4th Round. 5.00 Sports Report. 5.50 Racing results. 5.55 Pools news and results. 6.00 Sport on 2. 7.00 Jazz Score. 7.30 The Magic of Offenbach King of the Operetta (S). 9.30 Big Band Special (S). 10.05 Saturday Rendezvous (S). 10.25 Boxing Special: European Middleweight Title. 11.30 Ken Bruce (S). 1.00 am Jean Challis (S). 3.00-4.00 Pop Over Europe (S).

BBC RADIO 3

8.00 am News. 8.05 Aubade (S). 9.00 News. 9.05 Record Review (S). 10.15 Stereo Release: John Baston, Bach, Rimsky-Korsakov, Jacob (S). 11.25 BBC Scottish Symphony Orchestra Part 1: Vaughan Williams, Beethoven (S). 12.10 *Interval Reading*. 12.15 Part 2: Dvorak. 1.00 News. 1.05 Faure Piano recital (S). 2.00 Dreamers of Dreams Sir Edward Elgar (S). 4.00 Schubert's String Quintet (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Nicholas Danby: Gottlieb Muffat, Pachelbel, Carlmann Kolb, Schmoll, J. C. Vogler, J. H. Knecht, Oley (S). 7.15 British Socialism Redefined. 8.00 Academy of St Martin-in-the-Fields. Part 1: Handel, Corelli, Wassenaer (S). 8.40 A Slate Rubbed Clean. 9.00 Academy of St Martin-in-the-Fields Part 2: Vivaldi (S). 9.40 Late Night Schoenberg. Part 1: Schoenberg (S). 10.15 Interval Reading. 10.25 Part 2: Hans Eisler, Schoenberg, Johann Strauss arr. Schoenberg. 11.15-11.18 News.

BBC RADIO 4

6.30 am News: Farming Today. 6.50 In Perspective. 7.00 News. 7.15 On Your Farm. 7.45 In Perspective. 7.50 It's a Bargain. 8.00 News. 8.10 Today's Papers. 8.15 Sport on 4. 8.43 Yesterday in Parliament. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Daily Service (S). 10.45 Pick of the Week (S). 11.35 From Our Own Correspondent. 12.00 News; Money Box. 12.27 pm The News Quiz (S). 1.00 News. 1.10 Any Questions? 2.00 News. 2.05 Thirty-Minute Theatre (S). 2.35 Medicine Now. 3.05 Wildlife. 3.30 Home-ing In. 4.00 News; International Assignment. 4.30 Does He Take Sugar? 5.00 The Chip Shop (S). 5.25 Week Ending (S). 6.00 News; Sports Round-up. 6.25 Desert Island Discs, Michael York (S). 7.05 Stop the Week with Robert Robinson (S). 7.45 Dyslexia Need Not be a Disaster. 8.30 Saturday-Night Theatre (S). 10.00 News. 10.15 You the Jury. 11.00 Lighten Our Darkness. 11.15 Animal Language (S). 11.45 A Sideways Look At . . . 12.00 News. 12.10 am Weather. 12.15 Shipping Forecast. 12.23-12.28 The Chip Shop.

LONDON BROADCASTING

7.00 am AM with Peter Deeley. 10.00 Clive Bull's Fix-It Phone-In. 1.00 pm Sportswatch. 6.00 Des Fahy Reports. *7.00 Gest Mala with Suresh Joshi*. 9.00 Network: A Look at Sri Lanka. 10.00 Adrian Love's Nightline.

CAPITAL RADIO

7.00 am The Breakfast Show. 10.00 Pick of the Pops—Take Two. 12.00 Love Song Saturday. 2 pm Afternoon Delight. 5.00 Gary Crowley's Magic Box. 7.00 Greg Edward's Soul Show. 9.00 Roots Rockers. 11.00 Foreign Affair. 12.00 Midnight Special.

W. H. Smith prize for Philip Larkin

The annual W. H. Smith Literary Award, now valued at £4,000, has been won by the poet Philip Larkin for his prose collection, Required Writing, a collection of his writings between 1955 and 1982.

CHESS SOLUTIONS

Solution to Position No. 504

1 ..Q-R4 ch; 2 Q-B3 (2 R-B3, R-Q6); B-B8! and White resigned because of 3 QxQ, RxR ch; 4 B-Q1, RxB mate.

Solution to Problem No. 504

1 B-Q8. If 1...P-Q6; 2 B-KR4, PxP; 3 B K-1, P-K6; 4 P-Q3 mate. If 1...P-K6; 2 B-QR5, PxP; 3 BxP, P-Q6; 4 PxP mate.

هكذا من الأصل

Wines from Gaillac, the medieval high country

BY EDMUND PENNING-ROWSELL

THANKS NO little to the excellent publicity for French wines in Britain, particularly for the *vins de pays*, the French country wines, the impression might be gained that outside the periodically restive Midi, all the wine districts of France are doing very well. But this is too easy a conclusion, as was brought home to me by a visit to Gaillac, an historical wine area which not all of us could probably point to unerringly on the map.

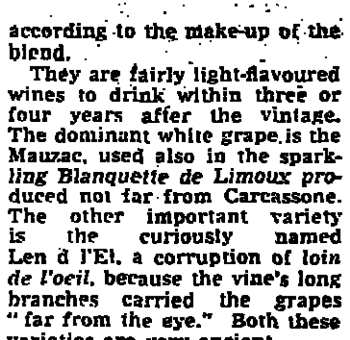
It may be said that life has never been easy for the Gaillacois wine growers. Their region was the most easterly of the three—the others were Bergerac and Cahors—that formed the main part of what in the Middle Ages and later was known as the Haut Pays—high because the terrain is a good deal more lofty and hilly than the basically rather flat Gironde, and also perhaps because these districts are higher up the rivers Dordogne, Lot and Tarn that flow through them to join the Garonne or the Gironde estuary. In the days of the English occupation of Guyenne and Gascony all these Haut Pays wines were discriminated against at the instance of the Bordeaux merchants, who persuaded the English kings to prohibit their entry into the Bordeaux region until St-Martin's Day (November 11), and sometimes not even until Christmas, by which time the Bordelais expected to have disposed of all their wines from the latest vintage.

And yet these same traders needed the wines of Gaillac and the others in order to strengthen the often thin products of the Bordeaux region, for Haut-Pays were full-bodied and more consistent.

After the English departure the French kings continued to support the Bordeaux merchants, and Gaillac and its follows were put at a disadvantage in selling their wines until the French Revolution. Meanwhile they had suffered terribly in the religious wars, and more recently were devastated by the phylloxera. From this and the economic slump that lasted with but little break until World War II Gaillac has never fully recovered.

Yet today they are fighting back. In the Middle Ages and later they produced only red wines, but then they turned to white, and it is as a white wine area that they are now best known. However, there is again a turn to red which may predominate in a few years' time, although the white will always be important.

The district is bisected by the Tarn as it flows south-west from Albi, and on the valley hillside of the right bank white wine is grown almost exclusively (90 per cent). However, the flat left bank is taken over by red. This is a fairly new development because whereas white Gaillac received its appellation contrôlée before the last war, the red was given it only in 1975.



A vast amount of wine is made in the department of the Tarn, in which the district lies: about 1.2m hl. A great deal is sold as simple *vin de table*, and its *vin de pays* is one of the more successful, both in red and white. The up-to-date co-operative of La Bastide de Lévis, just off the road to Albi, makes about 150,000 hl of wine, 60 per cent of it white, but only one-third is sold as AC and another third Côtes de Tarn *vin de pays*. The delimited area of 17,000 ha could produce 300,000 hl, but in fact only about 80,000 hl of AC wine are declared; and no more than one-third of the 3,000 growers who declare their crops are professionals in an area where mixed agriculture is almost the rule.

The problems that Gaillac faces are not because it produces poor wine, but arise partly from its relative remoteness, as is also the case in a different context with Armagnac in the rural Gers, and partly owing to lack of a local merchant trade to sell the wines. Ten years ago there were 25 merchants in the district; now there are only three.

To a great extent the four co-operatives, representing at least half the growers, have taken over their role, and the district as a whole has been greatly helped by the success of the Tarn *vin de pays*. Indeed part of the wine entitled to the Gaillac AC is declassified into that category as it is easier to sell under that label.

What, then are the wines like? Unlike Cahors and Bergerac, that tend to grow grapes familiar in the Gironde, Gaillac very much relies on local varieties. The main red one is the Duras, which produces a wine with good colour, and has acidity, finesse and ages comparatively well. A normal blend will include 25-30 per cent from this grape. Then 10 per cent or so will come from the Braucol, which is a type of Verdot, allied to the Petit-Verdot used marginally in the Gironde.

Also employed is the Syrah of the Rhône, that contributes colour, aroma and body, while the local Négret has colour and alcoholic strength but it is weak in acidity. Increasingly the Gamay is being planted and fermented often by the *Maceration carbonique* method used for Beaujolais. The Gamay is not included in the blend, but sold on its own. There is a special Gaillac bottle for the AC wines, which may vary in style according to the make-up of the blend.

They are fairly light-flavoured wines to drink within three or four years after the vintage. The dominant white grape is the Mauzac, used also in the sparkling Blanquette de Limoux produced not far from Carcassone. The other important variety is the curiously named Len d l'El, a corruption of *loin de l'oeil*, because the vine's long branches carried the grapes "far from the eye." Both these varieties are very ancient.

The wine is usually not very exciting but makes inexpensive, refreshing summer drinking. Peter Dominic sell a demi-sec version at £2.69, but Sainsbury's has the dry version in a three-litre bag-in-a-box for £7.95. Peter Dominic shops also sell a Gaillac Rouge for £2.49.

Gaillac's speciality is a pétillant Perlé that has a wide distribution. In England it is sold by the Davison London chain of off-licences at £2.45, and at similar prices by a number of merchants, including Corney and Barrow, EC1, Ken Butler of East Grinstead, the Peatling and Cawdron branches in East Anglia and Vintage Wines of Nottingham, which also stock Gaillac Rouge. Perhaps its best use is with a little cassis liqueur.

But Gaillac also makes a more serious sparkling wine by what is termed the *méthod gaillacoise*, with no extra sugar or yeast added for the second fermentation in bottle after the first one is stopped and filtered. One must go there to drink it, where it costs only FFrs 15. A curiosity also to be sampled on the spot is Pétillant de Raisin. Made from early-picked Mauzac grapes, the fermentation is stopped with only three degrees of alcohol. It is a pleasant, raisiny grape-juice drink of which no fewer than 1m bottles are sold in France each year. Those motoring through the district with children may like to note that it is advertised as "*le champagne des enfants*." At about FFrs 9 a bottle it certainly seems innocuous.

As with other lesser wine districts, to enjoy Gaillac wines best it is necessary to visit it. A new Maison du Vin is opening this year in a former monastery overlooking the Tarn, and there are some individual growers who make good wine and will welcome visitors. One is Jean Albert, a second is Jean Cros of Cahuzac-sur-Vère, and a third a young Scotsman, Alan Geddes, who at Castelnau de Montmiral on the right-bank hillside produces red and white AC wines under the label Ch. de Mayragues as well as a white Cotes du Tarn. For those passing through the area there is a delicious restaurant overlooking the Tarn, half way between Gaillac and Albi, surprisingly called Tilbury; and it is hardly necessary to mention the splendours of Albi's cathedral or the attractions of the remarkable medieval hill-top village of Cordes.

John Barrett on the Davis Cup

Hutchins's choice

THIS week-end at the West Midlands Tennis Centre at Telford, the new-look British Davis Cup team has embarked upon the 1984 campaign against a familiar enemy, Italy.

Three times since 1979, Paul Hutchins has taken his men into battle against them. Twice he has been worsted on the slow red dirt of the Foro Italico in Rome—by 4—1 in 1979 in the European A Zone Final, when Adriano Panatta and Corrado Barazzutti were the singles players and by 3—2 in 1982 against the same men when the non-zonal competition was introduced.

In between, in 1981, there was a splendid 3—2 victory indoors on a fastish Supreme carpet at the Brighton Centre. It is no surprise, therefore, that Hutchins had chosen to play again on this surface in Telford.

Choice of venue and playing surface are two of the multifarious decisions that a Davis Cup captain must take in attempting to produce his men in peak condition for each tie. Luck can play a part. In fact, it was the good fortune of home draws on grass that opened the way for Britain's most successful post-war challenge in 1978, when Hutchins' team with Buster Mottram and John Lloyd in singles and David Lloyd and Mark Cox in doubles reached the final against the U.S.

It was the same this year, too, for Neale Fraser's Australian team, which had home ground advantage against the clay court European nations, France and Sweden, who were defeated on the grass of Sydney and Melbourne.

Psychology plays an even more important part. In an individual sport like tennis, when every aspect of training and experience encourages a player to be self-sufficient, it is a difficult matter to weld strong personalities into a cohesive unit. The captain must know the idiosyncrasies of each member of his team intimately, and adjust his treatment of them accordingly both on and off the court, without upsetting them as a unit. It is a skill that the best captains have instinctively, but sharpen with experience and time.

That is why Hutchins' feat in 1978 was altogether memorable. He was only a year or so older than three members of his team and younger than Cox, and yet created the sort of team spirit without which success is impossible.

Fraser, too, achieved remarkable feats last year in taking Dwight Davis's famous silver punchbowl to Australia for the 25th time since the competition began in 1900. The Wimbledon champion of 1960, Fraser has enjoyed the total respect of his young singles players, Pat Cash (18), who has neded strong handling, and John Fitzgerald (23), and the ebullient Paul McNamee (29), and his dour doubles partner, Mark Edmondson (29). Fraser had not always done so during his other two winning years — 1973 when John Newcombe and Rod Laver trounced the U.S. 5—0 and 1977 when John Alexander, Tony Roche and Phil Dent beat the Italians 3—1.

With a young captain, there is sometimes the suspicion among his players that he is furthering his own ambitions through them. However, Fraser proved the supreme psychologist last December by inviting the successful America's Cup psychologist, Laurie Hayden, to spend some time with the nervous Fitzgerald and then invited John Bertrand, the successful skipper of Australia II, to visit the Aussie dressing-room each day.

There were no suspicions in the minds of the countless young Australian champions who played under the most successful Davis Cup captain ever, Harry Hopman. As a performer in the 1930s, he became an expert doubles player, and first assumed the captaincy in 1938. The following year, he tasted his first success through John Bromwich and Adrian Quist by beating the Americans 3—2 in Philadelphia, when the young Jack Kramer played doubles for them.

After the war, Hopman became a journalist and for four years was passed over as captain in favour of Gerald Patterson, Roy Cowling, Quist, and then Bromwich. Each year, the Americans won. Then, in 1950, Hopman was recalled and we saw Frank Sedgman and Ken McGregor for the first time as they thrashed the USA on home ground 4-1. There followed a remarkable run of 14 wins in the next 18 years—an era of unparalleled suremacy that introduced to the world the genius of such men as Lew Hoad and Ken Rosewall, Mervyn Rose, and Rex Hartwig, Anderson, Cooper, Fraser himself, and then Emerson and Stolle. . . . The list seems endless.

Hopman was a disciplinarian and took charge of his young players on overseas trips for most of those years. Hence, the strong influence he had on their total life styles, something which in today's professional world of highly paid youngsters would be impossible. Hopman cared little about technique—so intense was the competition for places on his team that only the fittest and ablest technically survived. But most of all, he instilled confidence in his men—a belief that they could beat anyone in the world if they prepared properly. They usually did.

It is the same influence that one saw through Bergelin on Borg and Tiriac on Vilas.

Before we expect to see the same influence by Hutchins we need somewhere to discover raw talent to equal some of the names I have recalled today. The sad truth is that until the broad base of British tennis increases some tenfold, there will not be competition sufficiently fierce to throw up potential world-beaters.

A house enthusiast

BY JUNE FIELD

OVER THE YEARS Henry Potts has built up a large collection of portraits of period houses and gardens, whether featured in 18th and 19th century watercolours, pen, pencil and wash drawings, the occasional oil painting, or architect's plans and perspectives.

A retired solicitor who lives near Coldstream on the Borders, he says he has always been interested in domestic architecture, and is "a house enthusiast." When collecting, he searches for "the best in architecture by the best architects," although conceding that it is also necessary to look for artistic merit as well as a good record of a house.

"Artists began to depict houses almost as soon as they began to paint portraits of people, and, apart from the intrinsic merits of their efforts, with the passing of the years such paintings form a fascinating record of houses long altered, or perhaps vanished completely."

One of the most rewarding things about the intriguing exhibition *The Country House*, arranged by Henry Potts at the Christopher Wood Gallery, is that many of the drawings have, in effect, found their way home. That is, the representations of various castles, manors, lodges, halls, villas, towers and abbeys on show have been bought by the previous or present owners. Which means that in many cases they will end up in the families of the people who originally built them.

Some of the purchasers have royal connections, but the gallery is naturally discreet about who are their clients. So if you want to hazard a guess about who has bought what, then a look through the excellent catalogue (£3 including postage from Christopher Wood, 13 Motcombe Street, London, SW1) may provide a clue.

Of particular historic interest are the works which provide information about houses with a complex history. For instance, a drawing of the 16th-century Sandford Orcas, Dorset, dated 1808, where the Medlycott family have lived for the past 250 years, shows the house before the building up of the main gable above the bay window which took place in the restoration of 1872.

Similarly a view of Harewood House, Yorkshire, in 1838, reveals the splendid south front by Carr and Adam before Sir Charles Barry's alteration of 1843.

Identifying something where the inscription or old label is indecipherable or missing, is both a problem and a challenge for the serious collector. Not only can the building be shrouded in mystery, but the person who drew it may be difficult to place.

Howard Colvin, architectural historian and compiler of the indispensable *Biographical Dictionary of English Architects 1600-1840*, admitted that when he researched the first edition in 1954, he found it a problem distinguishing clearly between those who actually designed buildings and those who merely built them.

In any case the term architect was rather an indeterminate tag in the 17th and 18th centuries. So sketches, paintings, and even plans could be by a builder with draughtsman ability, someone who actually designed the house (architect or talented owner), or an artist commissioned to portray a house and garden for posterity.

For instance Frederick Crace (1779-1859), was employed to make watercolours of old buildings in London before they were demolished. William Lake Price (1810-c1881), abandoned architecture for painting. Thomas Allom (1804-1872) was architect and topographical watercolourist, and Joseph Murray Ince (1806-1859), was a landscape, marine and architectural painter.

Several recent identifications include a very fine design for a country house c1820-1930, which proved to be the original architect's perspective by James Wyatt (1746-1813), for Wycombe Abbey, Buckinghamshire. It was rebuilt for the first Lord Carrington c1804, and the facade shown in the drawing survives substantially unaltered today. (The pencil, ink and watercolour has been sold for £4,000).

Chillingham Castle, Northumberland, in Winter, 1893, by Charles Rowbotham, watercolour in Henry Potts' Country House collection at the Christopher Wood Gallery.

Other puzzles were a country house with two towers, which turned out to be Ormerod House, Burnley, demolished in 1950, and it has been suggested that an anonymous house in the castle style could be Lea Castle, Worcester, also demolished in 1950.

Most of the collection has indisputable provenance. Edward Bardwell Brazier's the gateway and porter's lodges at Callendar Park, Falkirk, was exhibited at the Royal Academy in 1788, and there is detailed correspondence relating to the drawing in the Callendar House papers at the Scottish Record Office, Edinburgh.

And there are two designs for country houses by Robert Mylne (1633-1710), with the provenance of architect, Sir Albert Richardson (1880-1964). Sir Albert had a particular interest in preservation, restoration, and architectural history, and his remarkable collection which included a large number of Mylne's designs was sold at Christie's last November.

Nearly half of the 100 or so works in Mr Potts' show have been sold, the rest will still be on display for another week or so.

Prices are under £100 for a sketch of the portico of Chiswick House, celebrated Palladian villa built 1720-25 by Richard Boyle, 3rd Earl of Burlington, 4th Earl of Cork, while under £500 is the Great Gate House of Leez Priory, Essex, by John Buckler, 1825.

● Useful for identification is the latest edition of *Historic Houses and Gardens in Great Britain and Ireland*, £1.50, or £2.60 from John Yale, ABC Historic Publications, World Timetable Centre, Church Street, Dunstable, LU5 4HB and particularly worthwhile is membership of the Historic Houses Association (attention Sarah Greenwood), 38, Ebury Street, London, SW1. You can become a friend for £12.50, double £20, which includes a free copy of the quarterly magazine *Historic House*.

Arthur Sandles on ski shopping

Is British best?

"'ERE," he said, pointing at my skis. "'Ow much you pay for them them?"

Experts at this particular game will know what followed. I was about to get a lecture on how to get ski equipment cheap. Wherever you buy your skis, bindings, goggles or gloves you can bet that there is some genius who knows a little ship in Vaduz or Vail which offers them cheaper.

With the sales now on in many a British ski shop the issue becomes a burning one yet again—is it cheaper to buy in the British High Street or the resort.

These are murky waters. Differential pricing often relies heavily on exchange rates—but not entirely. Our rates of exchange at the moment, for example, would seem to indicate France as a good place to buy ski gear, but French retailers tend to operate on a high mark-up basis, and the VAT rates are *hefty*.

In general terms at the moment, I would tend to plump for a UK purchase, particularly now that the sales are on. But even if there were a slight price *disadvantage the benefit* of being able to complain in your own language and in your own locality if something is wrong is a great plus.

Three or four seasons ago the British ski shops tatempted to commit commercial suicide with a bout of over-pricing. There was a great rush to buy abroad and the shops had hurriedly to think again.

In both domestic sales and foreign purchasing it is crucial to know what you want. You may be lucky and find a sympathetic salesman, but you are just as likely to find one that will sell you simply what he happens to have in stock. Most ski manufacturers issue detailed descriptions of their skis' claimed performance. Read before you buy.

There is no point in paying around £170 for Blizzard Thermo Firebirds or Rossignol Stardusts if you have only just mastered parallel turns on a fine day in good conditions. Most British skiers will find the Duo 328, the Rossignol First VAS or the Dynaster Dynalite quite enough to handle.

Our city ski shops are not good in two fields—ski servicing and ski accessories. In most resorts overnight ski servicing is efficient and relatively inexpensive. British shops do not seem to carry all those bits and pieces which are always in demand—glove liners, goggle demisting cloths, screw drivers for binding adjustments and the like.

● PS. The "'O much were they then?" was unanswerable. I was pre-testing some 1984 Dynalites last season and they were only on sale this season (at around £139). I found them great on piste and in the deep snow, but had trouble with them in the marginal rough stuff—a comment on my lack of technique rather than the skis.

SNOW REPORTS

EUROPE

Courmayeur (It) ...	250-350 cm	Super conditions
Flaine (Fr)	200-360 cm	New snow on hard base
Grindelwald (Sw) ...	40-150 cm	Skiing remains excellent
Isola (Fr)	120-140 cm	Recent heavy snow falls
La Plagne (Fr)	175-335 cm	Good skiing everywhere
Kitzbuehel (A)	70-220 cm	New snow on good base
St. Anton (A)	160-400 cm	Powder on north facing slopes
St. Moritz (Sw)	55- 75 cm	Worn patches on lower slopes
Tignes (Fr)	170-260 cm	Perfect skiing

European reports from Ski Club of Great Britain representatives

THE U.S.

Aspen (Col.)	24- 76 ins	Loose and packed powder
Squaw Val (Calif.)...	48-144 ins	Powder and packed powder
Stowe (Vt.)	15- 50 ins	Loose and frozen granular

Figures indicate depths of snow at base and top stations

Ride-on garden tractors ride again

GARDENING

ARTHUR HELLYER

EVEN THE imaginative Mr Budding who, in 1830, launched the lawn-mower industry by redesigning a cloth nap cutter to do the same job on grass, would probably be astonished to see the way in which that industry has grown and the great diversity of machines it has produced.

The point was brought home to me last autumn when I visited the Westwood factory at Plympton in Devon. It was only a little over three years since I had been there yet I scarcely recognised the place so much had it grown and changed.

Gone were all the old-fashioned lathes, replaced by clean-looking and totally enclosed automatic lathes of the latest kind. An 18-foot high automatic press was producing all the steel pressings required for body work and wheels at great speed and a large automated powder spraying booth on an upper floor was just beginning to give all painted parts both a rustproof undercoat and the final colour with remarkable efficiency and economy.

There was even a robot welder at work experimentally to see whether it would be economic to instal more such machines to speed production. This and the addition of a further 20,000 sq ft of factory area were all part of a £1.5m investment programme and—thanks to the rapid expansion of the market—the high level of automation has not involved any reduction in the workforce, now grown to over 200 from the 70 or so in 1980 and a mere 13 when Gerry Hazlewood first started making mowers in 1969.

All this is to supply only one section of the grass-cutting market, that for ride-on tractors suitable for medium to large areas. The smaller ride-on mowers with which Westwood started were abandoned years ago in favour of larger and more robust tractors because that was the least crowded and therefore most expansible part of the market.

Westwood, of course, is only one firm in a growing sector. Wheel Horse, Mountfield, MTD Lawnflite and Simplicity are among the other well-known names and Spear and Jackson have recently come in with some rather unusual designs including one where the engine and gearbox are in a separate articulated unit pushing the machine from behind.

This competition has been very beneficial to gardeners since it has kept prices down and led to many improvements.

The early ride-on tractors with rotary grass-cutters all ejected the grass to one side, where it lay in swathes unless raked up. Most have now changed to rear delivery which has several important advantages. It enables a grass box or sweeper to be fitted behind the machine where it is much less in the way than at the side and, if grass collection is not required, the cut grass is distributed evenly behind the machine. Provided the grass is not too long, the clippings, spread out in this way, do no harm and soon wither away.

I only use a grass box when cutting near the house and, in more distant places, allow the grass to fly, partly because I think this is good for the turf, partly because it saves time. Rear delivery also avoids cut grass being shot out on to paths and beds or into swimming pools.

An improvement in grass collection provided by Westwood is a rotating brush sweeper attached to the machine and power-driven from the engine. This enables the brush to be rotated quite fast even when the machine is moving slowly in low gear. Another Westwood innovation, which I tested and liked last autumn, but which is not yet quite ready for distribution, is a reverse controlled by the clutch pedal and able to be used in every gear.

When the clutch pedal is pressed half-way down the drive belt is slackened and the machine comes to a halt; but push it down to its full extent and the reverse comes into operation. For cutting large open spaces I do not think this would have much advantage but it is extremely handy for working in close quarters around beds or near to trees and shrubs.

In recent years it has been usual practice to fit tubeless tyres to most of the larger machines as well as to tractors. This might seem a sensible way of keeping up with the times since all cars have for a long time been fitted with tubeless tyres. But the comparison is not a good one since the tyres of garden machines are maintained at a much lower pressure than car tyres to improve ground adhesion. Because of this they easily deflate if knocked or twisted and then one discovers that it is impossible to inflate them again with a foot pump. Usually the wheel must come off and be taken to the nearest garage to be inflated from a high pressure line.

For some time I have made a practice of fitting tubes at the earliest opportunity and some manufacturers have now realised this weakness and are again fitting tubes as standard.

Most ride-on tractors will do several jobs besides grass cutting. They will pull trailers of various types and sizes, draw lawn spikers, rakes and rollers and operate sprayers to distribute herbicides, mosskillers and fertilisers. In fact I find that my own machines spend almost as much time doing other work as actually cutting grass and I cannot now conceive how I ever managed a large garden without them.

The one snag about power-driven machinery of all kinds is that sooner or later it goes wrong. No doubt it is an illusion that this always happens at the week-end when all the repair shops are closed but even when the timing of breakdowns is a little less inconvenient, it is highly probable that the repairer will already have a full load of work and so it will be a week or so before the machine is back in service again.

FINANCIAL TIMES
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Telegrams: Finantimo, London PS4. Telex: 8954871
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Saturday February 25 1984

When reality catches up

THE UNEXPECTED is shocking by definition: but long-expected events can come as a shock too, and the two most suggestive developments of the week fall into this rather select category.

The dollar has been persistently weak when it should have been strong, and has rallied only feebly even when the bears took their profits. On the home front the building societies, who issued a well-reasoned paper arguing that they should be treated more like other financial intermediaries, got their first nasty spoonful of their own prescription.

A major fall in the dollar would be an event of world importance, and readers will probably not need to be reminded that we have jumped the gun on this event more than once in the past: it is too juicy a titbit for any commentator to resist. In spite of this experience, it seems time to raise the subject again.

On all the signs, after all, the dollar should have been strong last week. The latest figures on economic activity show that the U.S. recovery still has plenty of momentum. The Gulf war—or the probably exaggerated perception of it which ruled until the propaganda smoke began to clear—should have benefited the dollar just as it did sterling; and the revised *money supply figures*, along with the still more rapid growth in consumer borrowing, carry a clear warning about dollar interest rates. However, even when this message was spelt out by no less than Dr Henry Kaufman, the dollar went on drifting down.

Explanations are, of course, only too easy to find; that is why economists have been predicting the fall of the dollar for more than two years, even as it went relentlessly up. One can assume, then, that the dollar has not been undermined by the U.S. deficit—which according to half the experts is a bull rather than a bear point—or by the long-forecast collapse of the current account. Market swings are explained by new or hidden events, not by the events which everybody knows about.

The new events in the U.S. are the substantial fall on Wall Street, and the equally substantial (though less widely *reported) fall in the domestic* prestige of President Reagan: these could be two sides of the same coin. The relevance of these events for the dollar is obvious if you remember the basic economics: an economy can be run at a deficit, internally and externally, so long as the outside world is willing to supply the necessary finance.

A strong economy, a strong stock market and a strong regime attract capital like a magnet—especially in a world where no one else is recovering much. A strong economy with a weak stock market and an accident-prone regime turns thoughts to profit-taking.

This message seems to have been picked up most strongly not by the overseas investors who have been financing the U.S., but by American fund managers. They have been trimming their U.S. profits forecasts as disappointing reports have accumulated. This may have had an exaggerated effect on share prices, for the tax rules have been changed in favour of corporate cash retention, as they were in this country a decade ago.

Pressure

In New York, as in London all those years ago, investors may be a little slow to get the message. All the same, the fall in Wall Street is a fact, and it is also a fact that U.S. funds have been shopping eagerly for overseas securities.

What is more, U.S. corporations may soon add to the pressure and U.S. banks may already be doing so. The corporations are realising that they may soon lose the chance to acquire foreign subsidiaries on the cheap.

The American banks, who helped to sustain the dollar last year by pulling back a huge sum in foreign loans, as we learned only after it was all over, must by now be running out of debtors who can pay. The flows which can be generated in this field are big enough to swamp anything which corporate treasurers or even pension *fund* managers can mobilise. That is why the wise investor sometimes has to follow the chartists: the fundamental explanations may emerge too late. Wise investors at the moment are at least hedging their dollar exposure.

Could the house market also prove one of yesterday's wonders? The sudden decision at Somerset House to tax the building societies on the gilt dealing profits is suggestive. In just over two weeks, we should know the rest; if the Chancellor decides to put an end to the iniquitous composite tax rate, which gives building societies a competitive edge by cheating their poorest depositors, then we will know that the Chancellor is no respecter of sacred cows. The combined effect will be to widen the gap between building society grossed-up deposit rates—set partly by the market—and the rates they charge to borrowers, which will go up.

This is sad news for house buyers, but good news for just about everyone else except gilt-edged brokers, who will now not only do less trade, but get a lower commission.

The Government seems to realise that it must get rid of distortions in the capital market—which include building society privileges. The Stock Exchange, thank goodness, seems to realise that the new, exposed world, will need new rules to protect investors, and new equipment to make them work. The big change is somewhat postponed: but for the gilts specialists, the old protected days are already fading.

A decade of U.S. disasters

By Anatole Kaletsky

"IF YOU'RE lying in the road bleeding to death — as we are — you can't indulge in the luxury of manicuring your finger nails."

From a spectacular office atop the soaring Commercial Union building, which towers symbolically over the Stock Exchange, Lloyd's and most of the City's bank headquarters, this confession must have been hard to make for one of Commercial Union's most senior executives.

But Britain's biggest general insurance company has been among the City's walking wounded for 10 years, and it is now clear to everyone in it, from the chairman down, that the gradual haemorrhaging of *money, morale and* shareholders' confidence cannot be to go on much longer.

After the disastrous 1983 results announced last Wednesday, CU's management can have just one more chance—at best—to pull the company together. If they fail again, as they are now clearly seen to have done after their last major misjudgments in the mid-1970s, shareholders are unlikely to show any further patience. And the ambitious company which was once vaunted as the flagship of Britain's most internationally successful service industry will almost certainly fall under foreign ownership or be broken up.

What makes the story of Commercial Union's misfortunes, culminating in the after-tax operating loss of £8.1m last year, so fascinating is that it is more than just a saga of management incompetence. Management certainly made mistakes: particularly "with the hindsight of *the Gods*," as CU's former Chairman and guiding light since 1938, Sir Francis Sandilands, is the first to admit.

But it is hard to attribute a record of such grievous and consistent underperformance — tracked by CU's decline of nearly 70 per cent since 1972 relative to the FT-Actuaries All Share Index—purely to personal failures or bad luck.

For CU's experience also reflects, albeit in exaggerated form, some of the problems endemic in the efforts of British industry generally to compete around the world and some of the unprecedented challenges thrown up by the increasingly competitive structure of financial services, particularly in the U.S. It is a story of minicomputers and software; of insights into some parts of the future, thwarted by hopes that other parts will go on as they have in the past; of over-optimistic management, excited by the opportunities of a global market, but complacent about its dangers; finally, of a company which was large by British standards and had some good ideas but simply could not afford to implement them in the huge and treacherous American market.

The saddest aspect of CU's latest debacle (and it must be appreciated that a major British insurance company has only lost money once before in recent memory, when CU itself suffered a £3.5m after-tax loss in 1975) is that it was due in part to a correct recognition that the insurance business was changing rapidly and forever.

As Mr Cecil Harris, the company's chief executive, appointed in April 1983, insists, the huge losses suffered in the U.S. market since 1980 are not *simply* a repeat performance of CU's blunders in the same business in 1975 and 1976.

The company as it is today, with between 40 and 50 per cent of its premiums originating in the U.S. market, was created in 1968 by a merger between CU and a somewhat larger British insurer, Northern and Employers. About 60 per cent of *the U.S. business of the com*bined firm came from Northern and Employers and the whole of the U.S. portfolio was transferred to Boston, where N & E's American partners, Employers Group Associates, had managed the N & E business quite successfully for many years. According to both Sir Francis Sandilands and Mr Harris, who was then Sir Francis' assistant general manager for the U.S., it was the merger with Northern and Employers on which the whole group's strategy was to stand or fall.

That was the point at which "we either had to get out of America as a number of other British companies did, or we had to acquire a size and standing to stay and grow in America," Sir Francis says. In retrospect the decision might seem wrong, he concedes, but "it might equally have been wrong to pull out and become a very small fish in the world market."

But the other question which the merger with Northern and Employers raised, and which has plagued CU to this day, is this—how to run a company, 50 per cent of whose business and 30 per cent of whose problems are in the U.S., from a head office in London?

This is a dilemma which many British companies, including insurance companies, have dealt with successfully. But one of the causes of CU's decisive step into the American market was that the issue of management was temporarily swept aside. For EGA, the American company which had earlier pooled its business with Northern & Employers, was now simply given management of CU's whole American business. The regular visits by Sir Francis and Mr Harris to the U.S. "were just to ask a few adroit questions of the chief executive over there," Mr Harris now recalls.

This cosy and reasonably successful arrangement changed abruptly in 1971, when CU decided to expand its presence in the U.S. further by buying out EGA and thus acquiring the 27.5 per cent of U.S. premiums which EGA owned under the pooling arrangement.

Soon after this expansion, Mr Gordon Dunlop, who became chief executive when Sir Francis Sandilands was promoted to chairman, decided that the further development of the U.S. business would require a more "hands on" approach from London. After a period of consolidation and healthy underwriting results, Mr Dunlop and Sir Francis decided on a further push for market share early in 1974.

All the disasters which have befallen CU since then stem directly from this decision. For in 1975-76 the whole of the U.S. insurance industry was to be swallowed up by unprecedented underwriting losses, as the economy declined, inflation sent costs soaring and it became clear that the growing generosity of U.S. courts to personal injury claimants had become an inbuilt feature of the U.S. political and legal system.

But the 1974 U.S. expansion was disastrous for CU not just because the insurance market was just then turning savagely against all U.S. insurers. What made it much worse for CU was that the UK and U.S. stock-markets were about to go into free fall, wiping out 15 per cent of shareholders' funds.

With premiums growing rapidly, while its capital was melting away, CU faced the very real risk of technical insolvency and Mr Dunlop was forced to make perhaps the most unfortunate of all the company's moves. He sold nearly the whole of CU's U.S. equity book at the very bottom of the market, in late 1974, just months before the Stock *Exchange rebounded and share* prices more than doubled.

That decision, followed as it inevitably was by a series of rights issues and other capital-raising exercises, left a lasting scar on CU's shareholders and forced the company to face the future challenges of the insurance market with a much weaker capital position than any other British insurer.

The debacle of 1974-75 bit CU's American operations in another way. To cut back on the insupportable and unprofitable business growth, the company decided on cuts across the board, including the cancellation of 20 per cent of its agencies. The U.S. management meanwhile had "felt emasculated and began to opt out" as a result of the tough direction from London, according to Mr Harris.

The consequences of the management decisions, in 1975, particularly the cancellation of agencies "still lives with us," says Mr Harris. For the agents (who are, in fact, brokers in British parlance since they generate business for as many companies as they wish) "have long memories about companies which let them down."

It was not until 1977, when Mr Dunlop was replaced by a new chief executive, Mr Jack Emms, that most of the blood-letting in the U.S. appeared to be over. Underwriting results in the U.S. were improving rapidly as the more cut-throat competitors were squeezed out of the market and the industry as a whole seemed to be facing up to drastic escalation in personal damage awards against drivers, manufacturers of dangerous products and employers paying workers' compensation.

CU's results were improving even faster than the industry's under two new U.S. managers, Mr Lawson Swearingen, a former agent himself, and Mr Howard Ward, an executive from the food industry, appointed in part because "he wasn't shackled by the esoteric conventions of the insurance business," Sir Francis says.

The two Americans convinced Mr Emms and Sir Francis that the company could re-establish its market share in the U.S., despite its poor reputation among the agents—but only by adopting an ambitious forward-looking approach.

There were two planks to their strategy—computerisation and the recognition that *personal* insurance could be made more profitable than commercial lines by increasing efficiency, exploiting economies of scale and improving service.

In particular, computerisation would enable CU and the agents who would *supply* it with more business in exchange for the computer services, to compete with the huge "direct writers," which had come to dominate the personal insurance market by cutting out the agents and dealing directly with consumers.

This was obviously a more sophisticated approach than CU's previous ill-fated U.S. expansion and it also fitted well with the company's instinctive inclination to give the U.S. operation more autonomy again after the failure of Mr Dunlop's "hands-on" management.

Unfortunately it misjudged at least three factors which played a part in the 1974-75 failure and were again to prove a big problem.

The first is what insurers call "the underwriting cycle." Insurance profits have tended historically to move up and down in six-year cycles and by past experience there should have been another three years of profitable underwriting ahead when CU decided to embark on its second U.S. expansion in 1978.

What the company failed to recognise was that technological and financial changes were making the old cycle obsolete. As enormous amounts of new capital flooded into the U.S. insurance market from all over the world to exploit the high interest rates available from investing insurance premiums, it became clear to some insurers by 1979 that the dismal results of 1975-76 were not just a cyclical fluke, but a precursor of a long period of intense competition. As in 1974, CU's expansion in the U.S. got into full steam just as the market was collapsing.

CU's second mistake was, as Mr Harris now admits, in misunderstanding their American managers' attitude to business. "They told us we could be the biggest—bigger than Aetna—bigger than Travelers," Mr Harris says. The board in London had to keep warning them "that we just couldn't afford this," says Mr Harris, but nevertheless it failed to restrain them until it was too late.

This failure is bitterly attacked by one CU shareholder who added that the boards of Britain's major insurance companies and banks are "still run as dining clubs."

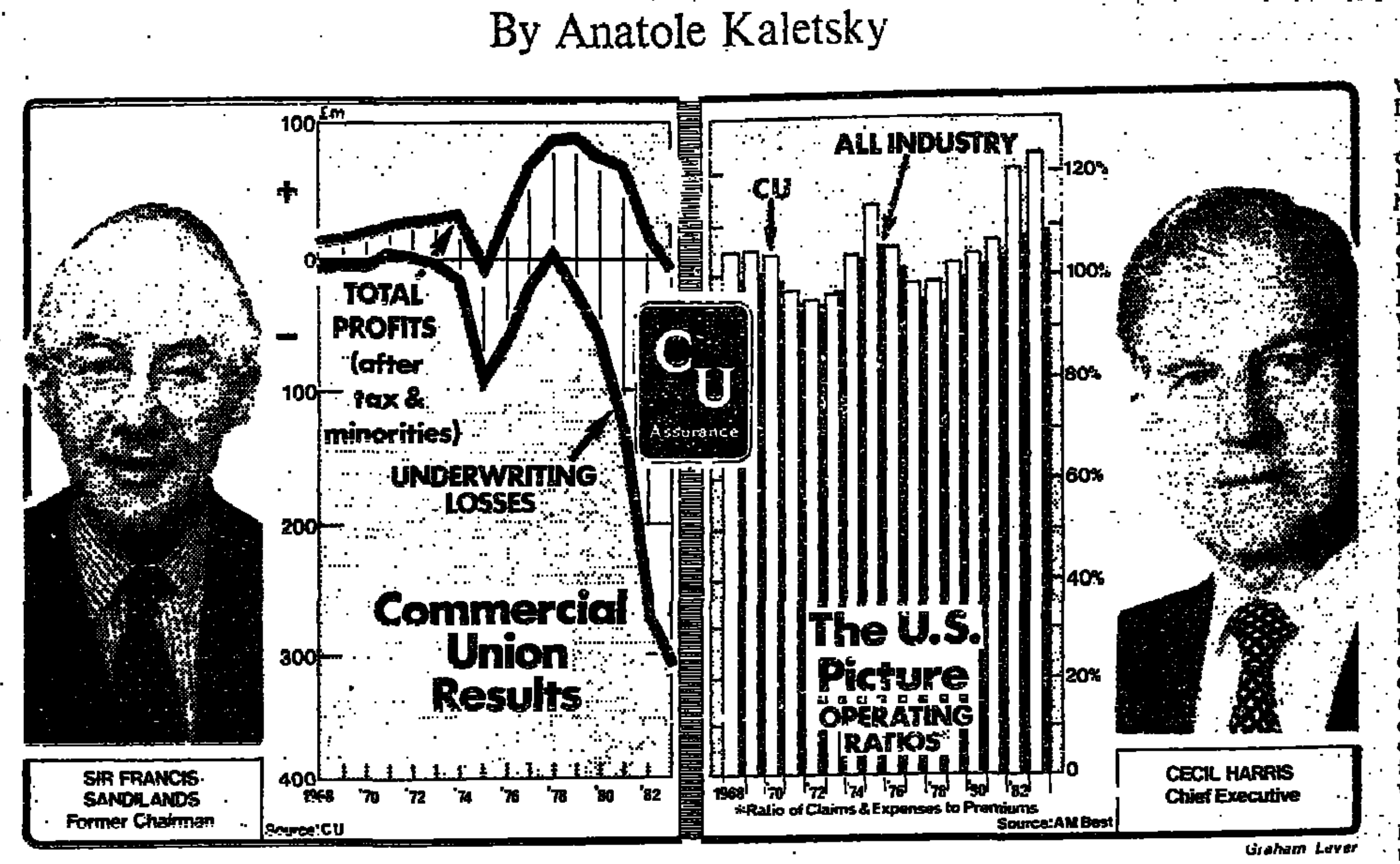
But perhaps the most fundamental shortcoming of all in CU's strategy is pointed out by one of the company's biggest competitors in the U.S. market. "When they got the timing wrong in 1974 and again in 1978, they just didn't have the strength, in depth, to stick with it until the market improved. If you are going to go aggressively for growth, you must have the resources to do it."

Again and again, CU was forced to slam on the brakes just as its gambles *might* have begun to pay off — when it pushed into the U.S. market in 1974-75, when it sold its equities in late-1974, and again with its ambitious computerisation plans today.

The new management, led by Mr Harris, is all too aware of the costs of these abrupt switches and the new U.S. manager, Mr Tony Brend, a Briton for the first time in the company's history, insists that *this time he will cut back CU's* operations "with a scalpel, not a meat axe."

But both Mr Brend and Mr Harris hint broadly that CU may not go on for ever in the U.S. as an independent entity. Eventually "we will either turn into a small specialist insurer in the U.S. or join the big league by linking with another company," Mr Harris speculates.

The question is whether CU's shareholders will give Mr Harris the time to make that decision himself, or whether the company will simply be swallowed up by a predator, at a knock-down price and whether Mr Harris likes it or not.



SIR FRANCIS SANDILANDS Former Chairman

CECIL HARRIS Chief Executive

Graham Lever

The new U.S. manager insists this time he will cut back CU's operations 'with a scalpel, not a meat axe'

Letters to the Editor

Industry

From Mr Jackson Taylor

Sir,—The appalling increase in unemployment to 3.08m, in the face of an alleged improvement in industrial confidence, should come as no surprise. When manufacturing industry detects signs of recovery so it starts to invest in automated plant and equipment, which in itself, gives greater output for less manpower. This essential dichotomy, presents the fiscal barrier between government and the governed.

The state gobbles up in taxes some 46 per cent of total British output and this is reflected in labour costs which are now so high that it is the aim of every employer to reduce manning levels.

The financial clawback from industry and those in employment in areas of National Insurance contributions and surcharges, income tax and other fiscal demands places a burden on a nation trying to survive into the 21st century. When one adds other forms of fiscal levies such as corporation tax, punitive interest charges and local rates it is inevitable that Britain is left with a frustrated manufacturing capability.

Perhaps the Chancellor, when preparing his Budget, will give sympathetic consideration to the needs of the individual and industry rather than to the ever increasing demands of State.

Jackson Taylor,
Chairman, Jackson Taylor International,
27-29, Blackwellgate,
Darlington.

Employment

From Mr R. Musgrove

Sir,—There are a couple of proposed and highly undesirable employment subsidies backed by the TUC and various academics which have the alleged merit that they involve little public sector borrowing requirement per job. This supposedly means more jobs per £ of PSBR, and less inflation per job created.

The truth is that demand per job, other things—like the wage paid—being equal, is the same regardless of the PSBR element; thus in that employment subsidies "create" jobs by diverting demand from one area of the economy to another, a low PSBR job merely diverts more demand and thus jobs from one area of the economy to another. It just creates a bigger merry-go-round.

Turning to the net addition to demand that the PSBR may involve and thus to the possible inflationary consequences, it is pretty obvious that if one divides £x of PSBR up into a large number of jobs, the inflationary effect per job is relatively low. Unfortunately the total is still the same! Thus there is no reason to suppose the inflationary consequences are any different. And, no greater net addition to employment is involved since, as pointed out above, any proportion of the wage that the PSBR does not finance, must be financed by demand and jobs withdrawn from elsewhere.

R. S. Musgrave,
24 Garden Avenue,
Framwellgate Moor, Durham.

Payment

From the Financial Director, Addison Tool Company

Sir,—I refer to the report (February 20) headed "Importers may lose VAT grace," written by John Lloyd. This item suggests that importers enjoy an 11-week period of grace when compared with those buying UK goods who *must make their VAT payments* immediately.

I suggest that the case for those buying goods in the UK is over-stated and that the advantage enjoyed by importers is less than stated in the article. Furthermore the calculation of the period of grace needs to take into account the period of credit which is normally taken before payment is made for purchases, the rate of stock turnover, and whether goods are sold for cash or on credit. Thus it could be argued that those who sell their goods for cash enjoy an advantage over those who sell on credit, and what steps are being taken to redress this "unfair advantage."

John M. Barrie,
Westfields Road, Acton, W3.

Training

From Dr Michael Cross

Sir,—We are told in the recent White Paper *Training for Jobs* (Cmnd 9135) that in 1980 employers were estimated to be investing around £2½bn a year in training. Further funds are provided, and which directly or indirectly prepare people for employment, by central and local government (£4bn) and the Government (£1bn). These sums of money are vast, but are they sufficient?

Let us take just one example to examine the size of these sums when compared to the possible level of required investment in training. In the process industries i.e. chemicals, glass, cement etc there is a well known group of occupations which we can term engineering craft i.e. electricians, fitters, welders etc. Now, based on estimates derived from the actual current expenditure to update these engineering craftsmen to meet the challenge of new plant and equipment it would cost £3½-4bn over a 4-5 year period in the process industries alone. Most of *this investment would be* made by employers.

If we were to continue with examples such as this the levels of investment in training quoted in the White Paper tend to appear not so vast. In fact, because the difference between the actual and required levels of investment in training are probably quite large, it increases the pressure still further upon improving the efficiency with which the funds available for training are invested.

On this point the White Paper makes encouraging reading when it refers to the need to improve the co-operation and the quality of information flowing between the training needs of the workplace and those devising and providing training courses. And, while there are many other items outlined in the White Paper to be commended, let us not get too carried away with sums of money of large absolute size, but which are relatively small when put into context.

Michael Cross,
Senior Research Fellow,
The Technical Change Centre,
114, Cromwell Road, SW7

Management

From Mr O. Wilson

Sir,—I find the two articles on the Management Page of February 13, depressing.

My depression arises not from what is described, but from the attitudes portrayed and the sense of novel revelation which comes across. At Perkins Diesel, managers are "surprised by the strength of the workers' desire for involvement" while unions "are sceptical;" at the European Management Forum three eminent businessmen came up with the startling assertion that "the control element of management was secondary; the key need was to motivate staff." One would imagine that nothing had happened, and we had learned little in the fields of managerial/organisational psychology since F. W. Taylor wrote "Scientific Management" in 1911.

In 1964 Bennis himself, in presenting his view of the future, anticipated a change in the basic philosophy underlying managerial behaviour to:

"(a) a new concept of man, based on increased knowledge of his complex and shifting needs, which replaces the oversimplified, innocent push-button concept of man; (b) a new concept of power, based on collaboration and reason, which replaces a model of power based on coercion and fear; and (c) a new concept of organisational values, based on humanistic-democratic ideals, which replaces the depersonalised mechanistic value system of bureaucracy," and a change in people, who would "require more involvement, participation and autonomy in their work."

People may have changed, but Bennis's future in terms of managerial philosophy still looks a long way away while it remains largely in the hands of "surprised" managers, "sceptical" unions and "part-fascinated, part sceptical" businessmen. Perhaps "ill-informed and blinkered" would be more appropriate adjectives to describe all three groups.

O. R. Wilson,
Polytechnic of Wales,
Pontypridd,
Mid Glamorgan.

Energy

From Mr J. Donhue

Sir,—Your adjacent items (February 7) referring to Peter Walker's "five marketeers" against the wasting of energy and the acquiring of fuel from waste are clearly complementary.

The five can make a start by effectively saving significant amounts of energy if a means can be found to help selected local authorities finance the construction of process plants to produce fuel pellets from dustbin waste. Such a system is viable if alternative waste disposal costs exceed £12 a tonne and if there is a guaranteed outlet for the fuel at a price equal to the market value of the fuel. This is the nub of the problem — a chicken and egg situation — who will undertake to buy pellets without first trying them?

The answer is simple and obvious. The customers for fuel must be the councils themselves for their schools, libraries, swimming pools, hospitals, etc. They have an abundance of boilers and they must convert from expensive gas/oil to solid fuel in any case. Waste fuel mixed with coal is the economic fuel of the future and it is readily available within these shores — not in the North Sea or the Middle East.

Pie in the sky! Not at all. Britain is in the forefront of this technology — and we do not need to import it from Amsterdam. The method is already in being at Eastbourne where waste fuel pellets are heating two schools, being used in a power station, and sold in bags to the general public.

Surely it is not too much to expect a commonsense approach by authorities such that our waste is disposed of economically and our public buildings are heated by the cheapest fuel available.

There are many other councils with thousands of tonnes of waste and hundreds of publicly-owned boilers, all they need is the will to embark on this modern policy, positive encouragement from the Government, and access to investment finance from either Government or private sources.

J. R. Donhue,
27, Kingstone Road,
Leatherhead, Surrey

هكذا فك القتل

Christopher Dunkley looks at the implications of BBC TV's top management change

Why Cotton is 'King' again

THERE ARE several one-word answers to the questions "Why is Aubrey Singer leaving his job as managing director of BBC Television after only two years and some time before retirement age?" And "Why has Bill Cotton been brought back into the mainstream to replace him?" In ITV, they say "ratings." In Whitehall, the word is "money." And in the BBC fo'castle, they say "panic."

Far from being incompatible, these answers merely represent three different ways of looking at the same problem, but it is not a simple one. It involves personalities, politics, the licence fee, the opening of Channel 4, the video revolution, the scheduling of BBC1, and the coming of cable and satellite TV systems. But, first and foremost, it involves ratings.

Bill Cotton, who at 55 is just two years younger than Aubrey Singer, is the former head of BBC Light Entertainment and former controller of BBC1. He is the son of the man who presented The Billy Cotton Bandshow and he combines his father's shrewd feelings for popular preferences with ruthless competitive instincts. Significantly, he is not typical BBC executive material: he did not go to university and he has never worked in news or current affairs.

It is said that when the BBC was looking around last year for a successor to George Howard as chairman of the board Cotton suggested accountant Stuart Young, the man who did indeed take over. This week Young chaired the meeting at which Cotton was approved as the new "M-D Tel." For the last couple of years Cotton has been in charge of the Corporation's plans for satellite broadcasting but his name is still connected most readily with such programmes as Top of the Pops, The Morecambe and Wise Show, The Eurovision Song Contest and The Two Ronnies. This is not to say that he is a knockabout philistine, but his attitude towards public taste is starkly realistic.

This week in Lime Grove, home of BBC current affairs, there was foreboding about what Cotton might do in his drive to bring back the ratings. Elsewhere there was considerable approval. Cotton is a gregarious and generally well-liked figure.

Even outside television the ratings cause considerable interest, but inside television they are discussed obsessively, even (perhaps especially) by those who pretend to be above such things. Channel 4 opened in November 1982 and so during the past year, the two BBC channels for the first time in their history have had to compete against two commercial channels. The result since August has been a BBC share of about 45 per cent, rising only *once to 50 per cent, falling* several times to 43 per cent and once going as low as 42 per cent.

On its own, that would not necessarily be considered disastrous, but negotiations for a new licence fee are due this year and the BBC would dearly like its present £46 raised to £70 or so, feeling that only thus can it compete on an even footing with ITV. Moreover, the ratings slide and the run-up to the negotiations happen to have coincided *with a serious worsening* in public perceptions of the BBC. Collectively, these three factors constitute a crisis, if not a disaster.

The trouble is that they are not brought about by any single failure and cannot be remedied by any single solution. In the long term the most serious problem is probably the question of public perceptions: that groundswell of feeling among serious critics, SDP types (in Islington) and the damper sections of the Conservative Party that Auntie just isn't doing her stuff any more.

The details are well enough known: the loss of prestige in The Nine O'Clock News, the *unending stream of indistinguishable* Fair Isle sweater serials filmed lovingly on the Bluebell Line, the demotic tone of Breakfast Time with its astrology and in-house promotions, the tedious sameness of *so many situation comedies*, the panic-stricken switching from one lacklustre arts series to another, and the odd decision to scrap the matey but popular Nationwide for the matey and less popular Sixty Minutes.

It is true, of course, that An Englishman Abroad, The Living Planet, Newsnight and some other recent BBC programmes have been excellent. Unfortunately for the Corporation, public perceptions emerge as broad generalisations and the current view—inspired as much as anything by the coincidence of ITV's superb home-produced Jewel in the Crown and the BBC's Thorn Birds, imported from America—happens to be not "Good old Auntie" but "The Beeb is going to the dogs."

The middle-class intelligentsia from whom the received wisdom about BBC performance flows—Radio 4 listeners, wives and junior government ministers who disapproved of The Thorn Birds and so on—are clearly not representative of the public as a whole. The public watched Thorn Birds more avidly than any programme screened by the BBC since 1982 and by all accounts enjoyed it.

Contrasting faces of the BBC: Thorn Birds (left) and An Englishman Abroad

BBC management, however, happens to be drawn almost exclusively from that selfsame middle-class intelligentsia and they are very sensitive to its feelings; sometime too sensitive, perhaps, for the good of their own ratings. Moreover, many in the middle ranks of the BBC (again drawn largely from the same group) seem to have a peculiar need for self-dramatisation. Fanning rumours and talking up a storm are favourite occupations not only at Television Centre and Broadcasting House but even at Bush House which, since it accommodates the overseas services, might be *thought less* immediately affected by such matters.

In fact, the moody talk of "a crisis of confidence" and "faceless grey men at the top," and "the technological imperative," driving away from public services broadcasting has been common to all the main BBC centres in London, during the past few months. Eventually internal talk of this sort rises to a crescendo, feeds back on itself and produces what sound *engineers call* "howl round." It is this, plus the personal preferences of Director-General Alasdair Milne as much as any outside influences which seem to have prompted this week's hasty changes.

In the long term it is vital that the intelligentsia is lured back into the fold and reassured because if the BBC ever became merely a ratings-winning machine, governments of the Thatcher complexion would presumably start musing about privatisation. Strategy, however, comes later. The BBC view is that immediate tactics demand the winning back of ratings in order to command credibility in the licence talks. Hence Cotton's appointment.

It will be no surprise if the two BBC channels rapidly lose any feel of a Reithian mix. BBC1 could soon be aggressively scheduled in an attempt to steam shovel the ratings and fight ITV while BBC2 becomes *the Corporation's conscience* and its bulwark against Channel 4. Sixty Minutes which fails to attract a big enough audience at the start of the evening, might soon disappear, to be replaced by a succession of more popular offerings. Chat shows? Quizzes? There is no time to develop new comedy series—designed to grab viewers early and hang on to them.

THE MEN WHO RUN THE SHOW

ONE OF the BBC's management difficulties is that, whereas commercial television can (and does) lure its staff away with offers of not only bigger salaries but slices of equity, the BBC goes on inexorably promoting from within. Apart from Brian Wenham (best bet for the next Director-General) who spent his early career at ITN, and BBC2 Controller Graeme McDonald, practically all those at the top of the programme divisions joined the Corporation in the mid-1950s and have been there ever since. Alasdair Milne spent two years outside as a freelance from 1965 to 1967. Prior to Thursday's changes this was the picture:

Position	Name	Joined BBC at age	First year at BBC
Director-General	Alasdair Milne	24	1954
Managing Director Television	Aubrey Singer	22	1949
Managing Director External Services	Douglas Muggeridge	28	1956
Managing Director Radio	Dick Francis	24	1958
Managing Director DBS	Bill Cotton	28	1956
Assistant Director-General	Alan Protheroe	23	1957
Director of Resources Television	Brian Wenham	33	1969
Controller BBC1	Alan Hart	24	1959
Controller BBC2	Graeme McDonald	36	1966
Deputy Managing Director (Radio)	Charles McLelland	28	1958
Director of Programmes Radio	Monica Sims	26	1953

Now Alan Bond looks to the sky

By David Dodwell

WITH A fair wind, and a smile or two from the gods, Airship Industries' Skyship 600 will next week float into the drab winter sky above Cardington in Bedfordshire. It is a brave man who claims this marks a turning point for the company—but that is just what Mr Andrew Millar, Airship's chairman, does claim, and he may be right.

Over the past three years, since its formation in June 1980, Airship Industries has tantalised and frustrated its founders, its investors, and the queue of prospective buyers for its Skyships, who had hoped to use these helium-filled balloons for aerial advertising, surveillance, and as transport for tourists.

Even as late as January this year, many well-wishers talked gloomily of the likelihood that the company would collapse sooner rather than later—having gobbled up £14m of investors' money.

Mr Millar himself confesses to "massive errors of judgment," which have jeopardised the company, and punctured the confidence of investors and buyers alike.

But in the past few weeks, some of the scepticism has begun to dissolve, and not just because, at the end of a two-year delay, the commercially viable Skyship 600 is at last poised to fly.

The first genuinely commercial order has been won—from a subsidiary of Japan Airlines, which has paid £1.5m for a Skyship 500, the "proof of concept" craft which first flew in September 1981 and can carry 12 passengers. Britain's Department of Trade and Industry bought a "500" in April last year under a pre-production order scheme.

In addition, Japan's largest advertising agency, Dentsu, has leased a Skyship 500 for a six-month promotional tour across the U.S. Its first role will be to provide *aerial television* coverage of the Los Angeles Olympics. Airship Industries sees this as a coup, likely to win worldwide publicity.

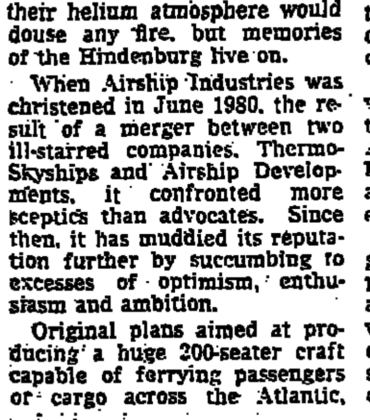
The biggest coup of all may prove to be the emergence of Mr Alan Bond, the Australian entrepreneur who heads the Bond Corporation, as a new major investor, and probably the group's new chairman.

By March 5, a £7m rights issue underwritten by the Bond Corporation is likely to give Mr Bond a stake of more than 30 per cent in Airship Industries.

Mr Bond has become something of a national hero in Australia since his controversially-designed yacht, Australia II, last summer snatched the America's Cup away from the New York Yacht Club for the first time in 132 years.

There are not a few who expect him to perform a similar miracle at Airship Industries, bringing to an end a jinx that has plagued the airship as a commercially viable craft for almost 70 years.

A catastrophe for the industry occurred on May 6 1937 when the hydrogen-filled Hindenburg exploded in mid-air. Thirty-six people died in the inferno.



Alan Bond: taking a stake in Airship Industries

Today's helium-filled airships are completely non-flammable. Experts describe them as "flying fire extinguishers" because their helium atmosphere would douse any fire, but memories of the Hindenburg live on.

When Airship Industries was christened in June 1980, the result of a merger between two ill-starred companies, Thermo-Skyships and Airship Developments, it confronted more sceptics than advocates. Since then, it has muddied its reputation further by succumbing to excesses of optimism, enthusiasm and ambition.

Original plans aimed at producing a huge 200-seater craft capable of ferrying passengers or cargo across the Atlantic, and involved development costs *of £30m. Only when plans were* scaled down to the more modest levels of the Skyship 500 and Skyship 600 did costs start to become credible to investors.

Leaving aside errors of judgment, Airship Industries has been dogged by ill-luck. The worst blow was the death of the charismatic chairman Mr Keith Wickenden last autumn. Mr Wickenden was also chairman of European Ferries, and Conservative MP for Dorking.

It is no accident that if Mr Bond takes control of the company, he will pack it with a high-powered board of directors, with expertise in airlines, advertising, airship design and finance.

"I have absolutely no intention of staying involved with the company unless it makes money," he said in London this week. The Bond Corporation, the Perth-based conglomerate which owns the Swan Brewery among its 50-odd subsidiaries, generated an operating profit of A$86m in the fiscal year to June 1983 from sales of A$309m.

Mr Bond sees the Skyship 600 as a commercially viable product and, before heading for bigger things, plans to establish a production line that will go some way to meeting demand.

"This is a very unusual product," he says. "The problem has never been a lack of demand—there has always been plenty of that. The problem has always been one of producing them—and that's what I *intend* to do over the next 12 months."

Compared with its nearest rival, the helicopter, the airship is obviously much slower, but it is far cheaper to run and to maintain and can stay up in the air for 40 hours, compared with the four to five-hour maximum of helicopters. Unlike the helicopter, it is almost silent.

Confidence is high that sales will be won with the navies of the U.S., the UK, France, Australia and Japan. Both the British navy and the U.S. navy and coastguard have held exhaustive tests.

The launch of the Skyship 600 guarantees nothing in terms of production or sales. It may be a turning point, but Mr Bond will have to provide firmer evidence before outsiders can say with confidence that the company is "up, up and away."

Weekend Brief

The things they say about Beirut

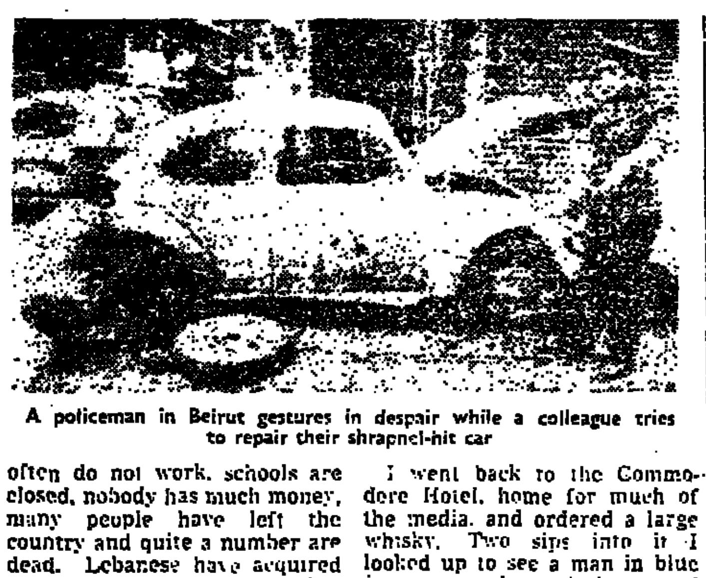
High upon the list of the most irritating things that can happen to a journalist in Beirut is a request for a jolly little piece on how people in the city stagger along. The idea is that somewhere in Beirut Mohammed, Anthoine and Fuad—banker, baker and candlestick maker—are still, plucky chaps, pottering about their business amid the smoke and flame.

Approached by your correspondent Anthoine, former marshmallow king of Lebanon, gives a little philosophic shrug and tells how, assisted only by Levantine cunning, he has survived and even prospered in the *past nine years of war.* Mohammed and Fuad also give little shrugs and explain that they too are making out. They tell improving anecdotes of entrepreneurial derring-do which has enabled them to triumph over circumstances.

The scripts so far, though a bit squishy, has been the basis for television programmes and newspaper articles. It is largely rubbish. Things were bad enough before the Israeli invasion in 1982 and they are now appalling. The trio mentioned above, game no doubt as bantams, stand little chance of making money any more because they will be too busy staying alive.

They will spend quite a lot *of their time in basements to* avoid shelling and exist on six hours electricity a day. Phones often do not work, schools are closed, nobody has much money, many people have left the country and quite a number are dead. Lebanese have acquired a good instinct for danger but violence is always present and is never wholly escapable. On February 6 I was walking down a street commonly identified in journalistic cliche as "once fashionable Hamra." The road suddenly began to fill with people running, cars honking their horns and swerving as they tried to get home. The insurrection against the government had begun. Six hours later the army started to use its heavy artillery, 155 mm guns, against the most heavily populated part of Beirut.

Two days later I went to the Shiah Muslim suburb of Bourj al Barajneh to get a pass from the local militia headquarters. As the car turned into a lane shells began to land very close. Together with the New York Times and Philadelphia Enquirer I ran into a small house. "Where is your basement?" we asked in a variety of languages. No basement, they said. We threw ourselves down and earth and rubble from *the last shell in the salvo* bounced on to the back my legs.



A policeman in Beirut gestures in despair while a colleague tries to repair their shrapnel-hit car

I went back to the Commodore Hotel, home for much of the media, and ordered a large whisky. Two sips into it I looked up to see a man in blue jeans, combat jacket and Kalashnikov marching towards the bar. Clutching the Scotch *I stood behind a pillar* and watched the gunman, his face impassive, smash the bottle behind the horseshoe bar with his rifle butt.

The threat to the drinking classes has now lifted but Beirut looks more like Calcutta every day. People who struggled for nine years are giving up. The old commercial quarter, burned down in the civil war, was being restored, its fine buildings emerging *from the ruins. Today it is* once again the haunt of snipers and machine gun nests.

A ceasfire was declared yesterday and as ceasefires in Lebanon go—it is about the 185th since 1975—it is not doing too badly. People have not gone so far as to stop shooting at each other, but they are not trying very hard. "There is fighting, but not dangerous fighting," said a Lebanese driver and this in the foreseeable future is the best Mohammed, Anthoine and Fuad can expect.

Private views on the Crown Agents

When Mr Peter Graham was appointed in June last year as senior Crown Agent, he hardly expected to be spending eight months of his life with the organisation fighting for its survival.

"Coming in as I did when the bombshell burst, I had to find out more about the Crown Agents in a shorter time than I've had to do in any organisation," he said.

Retaining his position as deputy chairman of Standard Chartered Bank, he had been employed as senior Crown Agent on the understanding that work would take up just two days out of his week. Through these crisis months the idea of a two-day week has been laughable: "I've had absolutely no time for routine work. I can honestly say my sole objective has been our survival."

His brief career with the Crown Agents has brought other rude awakenings. From a private sector bank where decisions can be taken quickly, are in the board's control, and are based on commercial criteria, he came to a quasi-government body subject to bureaucratic *procedures* and delays, and to a non-commercial logic based on the Government's political strategies and the chemistry of conflicting personalities.

His original letter of appointment included instructions to pave the way towards privatisation, and while he became sceptical whether this was the right course for a time during autumn last year, by Christmas he had convinced himself that privatisation was the best way forward.

"The government umbrella certainly provides safe haven," he said, "But it doesn't make the organisation as sharp as it ought to be."

His proposals, formulated during January and endorsed by merchant bankers Morgan Grenfel, provided the basis for a compromise *under which the* organisation would be allowed to survive on the understanding that it moved towards eventual privatisation.

To some, Mr Graham might have seemed an odd choice to *head a 150-year-old organisation* whose core business is procurement for countries in the developing world. And though he has spent his working life—except for five wartime years in the Royal Navy—with Standard Chartered, it would be a mistake to stereotype him as an ordinary banker.

"Why did I go into banking?" he asked rhetorically. "Desperation I suppose. There were not all that many jobs about at the end of the war."

But he recalls himself as a young man with wanderlust, and still now sees banking not as a staid, conservative profession, but as a fast, exciting one.

He recalls early years in Asia when he was "well used to tear gas and burning buses," and the 1960s in Hong Kong, with riots, China's Cultural Revolution, and the colony growing towards commercial maturity.

"It was marvellous to be putting money into industries that were growing so well," he remembers.

He has presided over a period of dramatic change for Britain's overseas banks. After the second world war there were 14 of them, and now, just two remain—Standard Chartered and the Hongkong Shanghai Banking Corporation. Mr Graham must take some credit for being one of a senior management team that ensured Standard was one of the survivors.

In three years' time, he may also be taking the credit for the most dramatic overhaul of the Crown Agents' business in its 150-year-old history.

No dreams of being footloose

A stone's throw from Madame Tussauds in London is what Peter Schweiger calls his "living museum," a bespoke shoemakers called James Taylor and Sons which hand-makes shoes for about 4,000 pairs of feet.

Schweiger, a slight figure in a white coat with the air of a young doctor, is keenly awaiting a couple of new employees, hand-picked by the Manpower Services Commission.

Schweiger is hoping that these two unemployed business executives, chosen by a management consultant for the MSC, will put new life into the 126-year-old business. He admits that he is running a "cottage industry" he inherited from his father in the late-1960s, from his W1 address just off Marylebone High Street.

Peter Schweiger's idea is that his new executives, during the nine weeks apiece for which MSC has agreed to pay their salaries, will help him open new markets for bespoke shoes costing about £200 a pair.

For one thing, he wants them to comb through the company *records to learn more of* the kind of people that pay this kind of money for shoes, and whether more might be persuaded to buy. Not that he believes they are paying an outrageous price for the craftsmanship and materials involved.

He has already found that, in real money, the price of James Taylor's handmade shoes has fallen slightly in the past 50 years. Then the firm was charging three golden sovereigns—equivalent to about £240 *today, he reckons.*

His new employees will find that behind and beneath the elegant shop front are workshops where a team of not less than four people will craft each shoe.

Half the business comes from folk who appreciate the advantages of having shoes made to measure, among them the fact that they are so hard to wear out. The other half comes from people with orthopaedic problems, referred by hospitals and doctors.

Business is a bit slack just now because cuts in the health service have left their mark on prescriptions for shoes costing upwards of £260 a pair.

One thing Schweiger feels strongly about is self-inflicted foot damage—almost always by women—in the cause of fashion. Some styles, such as court shoes with high heels, are so destructive of feet "they should carry a Government health *warning," he says.*

He's hoping his temporary employees, under his guidance, will also have time to pull together hard evidence with which he might try to lobby parliament to agree that every shoebox containing certain styles of shoe will be obliged to carry some such warning as: "These shoes may damage your feet."

Trevor Humphries

Peter Schweiger of James Taylor and Sons against a backdrop of wooden lasts going back more than a century in his Marylebone workshop

Contributors:
Patrick Cockburn
David Dodwell
David Fishlock

BUILDING SOCIETY RATES

	Share a/cs %	Sub'pn shares %	Others %	
Abbey National	7.25	8.25	8.25	7 days' notice. No interest penalty
			8.75	Higher Interest acc. 90 days' notice or charge
			6.00-7.50	Cheque Save
Aid to Thrift	8.50	—	—	
Alliance	7.25	8.25	8.25	*Monthly Income—3 months' notice*
			8.50	28 days' notice. Imm. withdwl., 28 days' penalty
			8.25	7 days' notice. No interest penalty
Anglia	7.25	8.25	8.75	3-year Bond. No notice. 3 months' penalty
			8.50	Capital Share. No notice 1 month's penalty
Birmingham and Bridgwater	7.25	8.75	8.25	1 mth.'s notice or 30 days' int. pen. £500 min.
Bradford and Bingley	7.25	8.25	8.50	1 month's notice or on demand
			8.25	7 days' notice
Britannia	7.25	8.25	8.25	7 days' notice. 8.50 2 months' notice
Cardiff	8.00	8.75	—	
	*8.50	—	—	*Share account balance £10,000 and over
Catholic	7.50	8.50	8.50	6-month deposits. Monthly income
Century (Edinburgh)	7.75	—	8.75	Variable. 8.85 Permanent 2/3 years
Chelsea	7.25	8.25	8.75	Immed. withdrawal (int. pen.) or 1 mth.'s not.
Cheltenham and Gloucester	7.25	8.25	8.25	Gold account £1,000 + no notice no penalties. Monthly interest. £5,000 minimum. 8.57 if compounded
Citizens Regency	7.50	9.00	8.40	plus account no penalty. Double option 8.50
City of London (The)	7.50	8.25	9.00	6 months' notice—no penalty
Derbyshire	7.25	8.50	9.00	8.25 1 month's not., 7.75-8.60 3 months' notice
Greenwich	7.25	8.50	8.50	(max.) at 28 days' notice/penalty
Guardian	7.50	—	8.75	3 months, £1,000 minimum
Halifax	7.25	8.25	8.25	Xtra Interest, 7 days' notice, no penalty
			8.50	Xtra Interest PLUS 28 days' notice, no penalty
			8.75	Special Inv. Cert., 3 months' notice/penalty
Heart of England	7.25	8.50	8.25	5-Day Notice Share Account
Hemel Hempstead	7.25	8.50	8.75	3 years, 8.50 28 days
Hendon	8.25	—	8.75	3 months
Lambeth	7.50	8.75	9.10	28 days plus loss of interest, 8.25 3 months
Leamington Spa	7.35	—	8.50	Top Ten. 8.75 Lion Share
Leeds and Holbeck	7.25	9.00	8.75	4 yrs., monthly int. 8.75 1 mth. notice or pen.
Leeds Permanent	7.25	8.25	8.50	Ex. Int. £500 min., 28 days' notice/penalty
Leicester	7.25	8.25	8.25	3 months. 9.02 compound 3 years
London and Grosvenor	7.75	—	8.25	High Yield (1 month)
London Permanent	7.75	—	8.75	1-year term. Imm. wdl. with loss of 1% bonus
Midshires	7.25	8.75	8.75	3-yr. term with 0.5% bonus on mat'y if reinv'td.
Mornington	8.50	8.50	—	Immediate withdrawals—no penalty
National Counties	†7.55	8.55	9.10	28 days' notice & loss of interest. † £1,000+
National and Provincial	7.25	8.25	8.50	1 month's notice or immediate and interest loss
Nationwide	7.25	8.25	8.75	Capital Bonds, 3 yrs., £500 min. wdl. with 90 days' loss or notice. Bonus account 8.25, £500 minimum withdwl. with 28 days' loss or notice
Newcastle	7.25	8.50	8.75	4 years, 8.25 28 days' notice, or on demand with penalty, 8.50 90 days' notice, or on demand with penalty
Northern Rock	7.25	8.50	8.25	7-Day Moneyspinner, 7 days' not. wdl. no pen.
			8.75	Premium Moneyspinner on demand, 28 days' loss of interest on amount wdn.
Norwich	7.25	8.50	8.50	City Account, immed. withdls. with no penalty
Paddington	7.75	9.25	8.75	1 mth.'s not., or 1 mth.'s int. loss on sums wdn.
Peckham	8.00	—	8.50	7 days, 9.00 3 months
Portman	7.25	8.75	8.75	Two months' notice, 8.25 no notice
Portsmouth	7.55	9.05	9.40	5 years, 9.00 6 months, 8.50 1 month
Property Owners	7.75	9.00	8.75	28 days, 8.75 3 months, 8.50 monthly income
Scarborough	7.25	8.50	8.25	Money Care and Free Life Insurance
Skipton	7.25	8.50	8.25	£1,000-£4,999 Sovereign, no penalties, no notice
			8.50	£5,000+, no penalties, no notice
Stroud	7.25	8.50	8.85	3 months, 8.25 1 month no penalty with notice
Sussex County	7.25	9.00	8.25	7 days' notice, 8.50 Sx.Sh., 7.50 Sh. a/c £2,500+
Sussex Mutual	7.50	9.00	8.75	1 month's notice/immed. with 28 days' penalty
Thrift	8.15	—	9.15	3-year term. Other accounts available
Town and Country	7.25	8.25	8.75	3 yrs. ½-yrly. int. Monthly income wdl. facility
			8.50	7 days' notice no interest penalty. ½-yearly int.
Wessex	8.30	—	—	
Woolwich	7.25	8.25	8.25	7 days' notice
			8.50	28 days' notice or on demand (interest pen.)
Yorkshire	7.25	8.25	8.50	Diamond Key, 60 days' penalty or 2 months' notice without penalty

All these rates are after basic rate tax liability has been settled on behalf of the investor.

Derek Bryant up 52% and paying more than forecast

Derek Bryant Group, which last April became the first Lloyd's broker to join the unlisted securities market, raised pre-tax profits by 52 per cent from £0.71m to £1.09m in 1983. First-half figures had risen by £0.1m to £0.44m.

The company is paying a final dividend of 4p net making a total of 6p per 10p share for the year, as against a prospectus forecast of 5.25p.

Turnover for the year increased from £1.5m to £2.28m. Other operating income added £294,000 (£332,000), but operating charges rose from £1.12m to £1.49m.

After higher tax of £541,000 (£422,000) net profits were ahead from £290,000 to £544,000. Adjusted earnings per share improved from 14.5p to 25.41p and there were also extraordinary credits of £27,000 (£30,000 debits).

Comparatives have been restated to show what the results would have been had the group been in existence in its present form during that period.

The board says it is encouraging that the company received continuing active support from its long term business associates, as well as benefiting from new associations it has been developing.

The geographical spread of group business remains the same in that it originates primarily in the U.S. In this respect it remains subject to variations in exchange rates from which it benefited during the year.

The board adds that it is constantly seeking ways to broaden the base of the portfolio and the company can face the future with confidence.

● comment

The U.S. insurance market has been in the doldrums for the past year. Yet Derek Bryant has actually increased its presence there so that the U.S. now accounts for 80 per cent of profits. This is on the back of its ability to exploit specialist niches, like event cancellations or fine art insurance, where U.S. brokers are unable or unwilling to make much headway. However, the degree of regulation faced by Lloyds members on the East Coast is still a problem, and for this reason Bryant really needs to buy its own U.S. insurance company which could issue paper to be reinsured by Lloyds. That prospect, however, is some way off, since Bryant seems unwilling just for now to ask shareholders to stump up the $12m or so such a project would need. These profits include £68,000 in dollar exchange rate gains, and now that the tide is turning against the U.S. currency, Bryant is buying dollars forward to protect itself against exchange rate losses in the current year. The shares rose 11p to 188p, where the historic yield is 4.7 per cent.

Denmans for USM with £6.6m tag

THE LATEST company to come to the USM is Denmans Electrical, a Bristol-based distributor of electrical equipment.

Stockbrokers Stock Beech & Co are placing 10.5 per cent of the group's 4,111,800 ordinary 25p shares at 162p each, which values Denmans at £6.66m.

Profits and turnover have risen steadily since 1979 to £910,000 pre-tax on sales of £11.94m in the year to September 30 1983. The historic multiple on stated earnings is 15.5.

Pre-tax margins, however, have slipped in the past five years from 7.1 per cent to 5.8 per cent of turnover, which the company says reflects the costs of re-organising recent acquisitions.

The directors are forecasting a total dividend of 3.5p net—including 1.5p at the interim stage—for the current year, which gives a yield of 3 per cent at the placing price and will be covered 4.4 times on the basis of 1983 earnings.

Denmans is coming to the USM to raise £700,000 for members of the Denman family not involved in management and to enable it to use its shares for further acquisitions. In the past two years, it has expanded into the West Midlands through three takeovers. It has 27 depots selling electrical equipment to contractors, and 300 employees.

No single customer accounts for more than 5 per cent of sales, although one-third of Denman's purchases come from subsidiaries of Delta, MK Electric, Hawker Siddeley, Hanson Trust and GEC.

Applications open next Wednesday and dealings are expected to begin the following day.

BIDS AND DEALS

Chairmen fire last salvos in bid for London Brick

BY RAY MAUGHAN

BOTH London Brick and Hanson Trust took their last opportunities to sway shareholders in London Brick before Hanson's £247m bid closes on Tuesday.

Writing to London Brick shareholders yesterday, Lord Hanson, the chairman of Hanson Trust, apologised for adding to the "salvo of paper." But he said that he wanted to stress that the convertible loan stock offer gives a 19 per cent higher income than the London Brick forecast even for 1984, the loan stock is worth 180p and the bid offered "better prospects."

As to London Brick's vaunted new "Super Fletton," Lord Hanson said "seeing will be believing" but asked "when will it make a contribution to profit?"

As for recent performance, Lord Hanson's counterpart, Mr Jeremy Rowe, told his shareholders that the group's record "has been consistently better than Butterly's," Hanson's brick-making subsidiary.

"Since our new Super Fletton will compete directly with Butterly's non-fletton products," he added, "it is unlikely that Hanson Trust will be anxious to promote its commercial production. Hanson Trust has not been notable for the level of investment in its existing brick-making activities."

In terms of income, he went on, the interest on the convertible loan stock "is only marginally higher than London Brick's 1984 dividend forecast and will not grow. For tax-paying institutions, the income is lower."

Lazard Bros, which advises London Brick, has acquired shares for its own account during the course of the campaign and it is thought to have acquired further shares yesterday.

Shares in London Brick climbed 7p to 168p as brokers Rowe and Pitman acquired what is thought to be a significant stake for an unnamed client. The firm's links with Charter Consolidated suggested that the mining finance and industrial group was preparing a late-stage counter bid but Hambros Bank, which advises Charter, denied that there had been any involvement.

Rumour spread to Rio Tinto Zinc, another major mining group with substantial UK building materials interests, but RTZ's official "no comment" was downbeat.

Stothert upholds recovery with £0.3m at midway

ON THE BACK of higher productivity and lower costs, Stothert & Pitt achieved taxable profits of £317,000 in the first half following a return to the black in the preceding six months.

In the comparable opening period losses of £196,000 were incurred but a second half upturn enabled the company to produce a £303,000 surplus for the year.

Operating profits for the six months to December 31 1983 increased nearly four-and-a-half fold from £135,000 to £602,000 on a £720,000 increase in turnover to £12.49m.

Interest payable was reduced to £285,000 against £331,000 but the allowance for depreciation was higher at £228,000 compared with £193,000.

Profits were again subject to tax of £1,000, but there were below the line extraordinary debits this time of £72,000 leaving an attributable surplus of £244,000 against a £197,000 deficit.

Stothert says that while the crane division was reasonably well occupied in the six months its other market sectors were still depressed.

And, at the end of 1983 the outlook was little changed with a healthy order book for cranes and uncertain demand for its other products — being deck machinery, compaction plant, site dumpers and mixers, materials handling equipment, aerial access platforms and paint making machinery.

Looking ahead to the remainder of the current year, the directors expect to see further improvement in profits with the full year's outcome providing an encouraging comparison with last year.

Borrowings are still higher than would be liked and, with the directors still conscious of the need to conserve resources, shareholders are still without an ordinary dividend payment. The last dividend was a 1p final in respect of the 1979-80 year.

Last month, the Newark works was sold for over £1m.

Watsham's climbs and lifts interim

Taxable profits of Watsham's increased from £537,000 to £603,000 in the half year to September 30 1983. Turnover of this maker and supplier of specialised products in the optical, instrumentation and industrial safety industries, rose by £0.51m to £3.44m.

After three successive years of unchanged interim dividends, the payment this time is raised to 4.125p (3.75p) net—last year's total was 12.1p on £1.21m pre-tax profits.

After tax of £226,000 (£201,000) for the half year, net profits were up from £336,000 to £377,000. There was also an extraordinary debit this time of £20,000. Earnings per 25p share improved by 1.5p to 14p.

Since the end of the group's last financial year, there has been primary concentration on the development and acquisition policy outlined in the chairman's last annual statement.

In line with this policy the company has bought together the complementary activities of Moore and Company (Medical Supplies), in the south of England, and Director Medical Supplies, in the Birmingham and Midlands area, with those of the pharmaceutical division.

In addition, in the optical division, the plans for expansion are proceeding satisfactorily. The attainment within this division of the highest defence standard for the design, manufacture and testing of optical and related instruments, has increased the scope of possibilities for the future, the directors state.

Utd. Glass better placed after heavy rationalisation

THROUGH THE action taken to improve efficiency and liquidity, United Glass Holdings is now "better positioned" to operate competitively in the difficult trading conditions which still prevail in 1984.

In the 53 weeks ended December 3 1983 the group provided £12.45m, agianst £6.18m, for redundancy payments and other costs of facility closures, and this was the major factor in pushing up its loss before tax from £5.29m to £14.44m. United Glass is jointly owned by Distillers and Owens-Illinois of the U.S.

The directors report that the glass container division operated profitably in the second half, but its results over the year were bady affected by excess manufacturing capacity. They were also significantly influenced by the heavy exceptional costs necessary to bring capacity in line with demand, and there was a loss of £380,000 (profit £6.41m) on sales of £120m (£131.26m). Production facilities are now more closely in balance with foreseeable needs.

Other divisions, which now takes in distribution services, lifted their sales from £54.71m to £59.39m, and improved productivity and made a trading profit of £2.56m (loss £335,000). The order of improvements in plastic products, Ravenhead table glass and mould making operations was especially encouraging.

Interest charges were reduced from £5.2m to £4.16m, reflecting mainly the fall in interest rates. Borrowings were also lower principally as a result of measures to reduce stocks.

There is a tax credit of £4.37m to leave the net loss at £10.07m. Tax comprises amounts receivable for corporation tax losses surrendered under consortium relief arrangements including £2.37m for earlier years.

Harrisons buys all outstanding shares in London Sumatra

BY DAVID DODWELL

Harrisons and Crosfield, plantations, chemicals and timber group, has finalised agreement with its 98.82 per cent owned subsidiary London Sumatra Plantations on the terms to buy outstanding shares for a total cash consideration of about £1.2m.

At the same time, Harrisons has revealed that London Sumatra's pre-tax profits for the year to December 31 1983 will be in the range of £12.9m to £13.6m—more than double the £5.27m profits in 1982.

A fresh valuation of Indonesian and Malaysian assets indicates a net asset value of London Sumatra of 768p per share—or about £122m for the whole group. Harrisons emphasised yesterday that this asset value was not realisable because of complications over land rights in the two countries.

Harrisons first announced plans to buy the outstanding 1.18 per cent of the shares in London Sumatra more than a month ago. Shareholders accounting for the outstanding 183,057 shares are to be offered 640p per share in cash or loan notes. They will also receive a second interim dividend of 6p, making a total for 1983 of 8p, unchanged on 1982.

Harrisons successfully bid for London Sumatra in February 1981, with a cash and shares offer valuing the group at between £53m and £68m, depending on whether cash or shares were taken. They were offered 333p in cash or shares which at the time valued Sumatra shares at 428p.

Loan notes being offered to outstanding shareholders will be repayable in 1988, and will carry interest linked to the London Inter-bank offered rate (libor).

The scheme is expected to become effective on April 19.

The profits improvement marks a sharp reversal of a steady decline recorded over the past three years. The 1983 pre-tax profit compares with £5.27m in 1982, £6.88m in 1981, and £9.21m in 1980.

The improvement was put down yesterday to the striking improvement over the past year in commodity prices. It provides a signal for improved profits at Harrisons and Crosfield itself.

Harrisons announced just three weeks ago that it has begun talks which may lead to the sale of stakes — held directly or indirectly — in 10 Malaysian plantation companies. The deals are aimed at further strengthening local control of Malaysian plantation groups, and could raise more than £20m for Harrisons.

Property sale lifts Compco

Taking acount of £266,453 gain on the sale of properties, profits of Compco Holdings for the six months ended September 29 1983 have leapt from £199,073 to £469,265. The company is engaged in property investment and development.

The property sales related to the disposal of the Worthington development. No further sales of that nature are envisaged in the second half, during which the level of rental income is expected to be comparable with that of the previous year.

In the first half of this year net rental income came to £296,858 (£274,162). Associates profits were £92,544 (£167,049) and interest receivable £3,594 (£21,629). After tax £245,837 (£106,482) the net profit came to £223,429 (£92,591) and earnings per share to 10.9p (4.52p).

The position with regard to the U.S. properties is unchanged and is being kept under review. With generally increased confidence in the letting market, the directors have a number of investment and development situations under consideration to create a broader base for the company.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Allied Leather 2nd int.	1.75**	March 29	—	—	5.5
Argyle Trust	0.5	May 2	—	0.5	—
Derek Bryant	4‡	May 1	—	6	—
Don Bros. Buist int.	1.5	March 21	1.25	—	3.5
Independent News	7‖	—	7	11	11
London Brick 2nd int.	2.865	Apr. 10	—	—	2.75*
Charles Sharpe int.	2	Apr. 26	1.03*	—	8*
Watsham's int.	4.13	—	3.75	—	12.1

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock. ¶ As forecast, making 4.1281p to date. ‖ Irish prices throughout. ** Makes 3.5p to date in respect of 15 months period.

Lister in profit

Lister & Company, Bradford-based textile manufacturer, turned in a pre-tax profit of £160,000 in the half year to September 24, 1983, as against a £319,000 loss last time. The directors say the improvement shown in the period is continuing.

Turnover improved from £15.95m to £17.24m in the six months and at the trading level, the company made increased profits of £882,000 (£536,000). Interest charges took £775,000 (£876,000), while associates' contributions rose from £21,000 to £53,000.

After tax of £9,000 (£6,000) and minorities of £3,000 (same), attributable profits came out at £148,000, compared with a £161,000 loss

Independent Newspapers moves ahead to I£3m

LOWER trading results from newspaper publishing in Ireland at Independent Newspapers were offset by "substantially better" results in Britain and France for 1983, say the directors. Pre-tax profits increased from I£2.54m to I£3m on turnover up from £58.58m to £65.22m.

The directors of this Dublin-based newspaper publisher say that poster business in Germany improved over the previous year but still traded at a loss. The associate radio company in San Diego continued to make excellent progress.

The net final dividend has been held at 7p which maintains the total at 11p. Earnings per 25p share slipped from 17.01p to 15.78p.

At the halfway stage, profits rose from £1.12m to £1.32m and the directors said that the improvement reflected better results in overseas operations. The economic situation in Ireland continued to depress advertising revenue.

For the full year group profits came to £2.84m against £2.44m, to which associates added £164,000 (£105,000).

Tax amounted to £873,000 (£596,000) and minorities took £4,000 (£151,000). There were extraordinary losses last time of £525,000.

Titles published by the group in Ireland include Irish Independent, Sunday Independent, Sunday World and Evening Herald. In Britain the group publishes Miss London, and in France it is involved in outdoor advertising.

Hill & Smith sees rise

GIVEN NO Government cutbacks in motorway construction and maintenance and no decline in the level of construction dwellings, pre-tax profits of Hill & Smith Holdings for the current year should not be less than last year's £1.01m, says Mr John Sill, the chairman.

Members are told in the chairman's annual statement that steel stockholding remains in a depressed state. The division will, at best, make only a small contribution to first-half profits and at present there is nothing to indicate that there will be any significant change in the second six months.

Demand for the company's fabricated products—road safety barriers, security fencing and steel lintels—is good, and if demand remains at or near the present levels, the full year contribution from the fabrication division will be substantial.

A reasonably high level of activity in all the company's forges is being maintained. All are operating profitably and should continue to make a useful contribution.

Stylo bid defence comes under attack from Harris

BY TERRY GARRETT

Harris Queensway has written to shareholders in Stylo challenging the inadequate defence offered by the shoe retailer's directors and urging Stylo holders to accept the £35.6m cash offer. The first closing date is next Wednesday.

The bidder argues that the controlling Ziff directors have made no attempt to justify their statement that Harris's offer is completely unacceptable, or why it is in the best interests of shareholders to reject the bid.

In the market Stylo's shares fell another 5p to 238p compared to the 325p a share offer on the table from Harris.

Harris also claims that there is no reason why Stylo could not prepare a property revaluation within the time available since the bidder first expressed its interest. Stylo has said it will prepare a revaluation but it will take months to complete. By then Harris's offer will have lapsed and could not be revived under takeover rules for a year.

Mr Peter Davis, deputy chairman of Harris, said yesterday that he would like shareholders to accept the offer to demonstrate to the Ziff family the "real feeling of their shareholders."

"If there are sufficient acceptances we will have grounds for going to Arnold Ziff (Stylo's chairman) and saying: This number has accepted, let's talk about it. If there are not enough acceptances to encourage him to come and sit round a table, we will go away and the shares will go back to their levels before the bid."

TR Energy in £0.76m acquisition

TR Energy and TR Energy Production Inc., a wholly owned subsidiary, have entered into an agreement which provides for the acquisition of the oil and gas interests of Interoil Inc., a wholly owned subsidiary of TR Pacific Basin Investment Trust.

The principal assets being acquired are working interests and overriding royalties in producing properties in Texas and Kansas, common stock and preferred stock of the ESW companies, common stock of Snyer Oil Company and preferred stock of Discovery Oil.

The assets have been acquired with effect from October 1, 1983 and the aggregate value of the consideration is £756,000, to be satisfied by the issue of 1.8m shares in TR Energy (approximately 8.3 per cent of the enlarged share capital).

Completion of this transaction is expected to take place by March 12, 1984.

Income attributable to these interests, based on the latest available accounts of Interoil for the year ended January 31, 1983 represented less than 1 per cent of the consideration.

Results due next week

The market awaits with some trepidation the results on Wednesday from General Accident and those from Royal Insurance on the following day. It is still recovering from the shock of last Wednesday's figures from Commercial Union, published a week earlier than planned, which showed a bloodbath in the U.S. and not much better elsewhere.

Results from the U.S. home-based insurance companies confirm CU's experience that 1983 was a terrible year for U.S. insurance. The market remains almost as weak as ever. On top of that, the U.S. was hit by hurricane Alicia and by December's snowstorms and blizzards.

GA and Royal cannot be expected to have avoided these pitfalls. Their U.S. business could show underwriting losses up on the previous year by as much as two-thirds to £66m and £150m respectively.

Conditions in the UK are not much better, judging by CU's results. Motor insurance has been hit by rising claim numbers and inadequate premium rates. GA, the UK's largest motor insurer, should show how deep the premium competition has cut into profitability, and underwriting losses on its motor account could exceed the £20.6m of 1982. Trading conditions remain soft in commercial business and only the better weather compared with 1982 will enable losses overall to fall slightly.

The Canadian recovery came to a shivering halt in the final quarter and underwriting losses should be up by a quarter to £210m for Royal and around 1982's level of £154m for GA.

Investment income growth, albeit at a slower rate than in recent years, will enable GA to show pre-tax profits up by one-fifth to £55m and Royal will show slightly lower pre-tax profits at £95m. But both groups are expected to improve their dividend payouts, GA by 15 per cent and Royal by around 10 per cent.

Vickers has been going through a rather gruesome period period lately, with profits in 1982 sharply lower and the dividend cut, and last year's interims showing a further fall. For the full year to end-December (figures due on Monday), expectations have been swinging around in the past few weeks. The second half should have been substantially stronger than the first, if only because of a high level of deliveries in the marine and defence divisions. The position was clouded, though, by the five-week Rolls-Royce strike which began in October. The loss in production came to 215 cars in total, at a shop price of £12.5m. Quite what this meant in profit terms is hard to say, since disappointing sales in 1982 had led to a high carry-over of stocks. Otherwise, though, the group seems to be firing on most cylinders, and the programme of disposals has been going on apace. Forecasts had been as high as £20m pre-tax, and were hacked back a few weeks ago to nearer £16m. The present consensus seems to be somewhere in the middle, around £18-19m.

BSR is presently going through the throes of change, after its disastrous losses in 1982 of £17.4m. Interim figures in 1983 showed a healthy recovery, to a profit of £10.3m, and the full year results to early January—due on Friday—are expected to show the trend continuing. The group is busy transforming itself from a producer of record-changers and the like to a high-tech manufacturer of computer power supplies and peripherals. In effect, BSR's Hong Kong base is now the profit source for the group, and sales to the U.S. are the key to performance. The older parts of the company—consumer electronics — are unlikely to have made much contribution. Indeed, City analysts expect those areas to be disposed of in the foreseeable future. Pre-tax profits are forecast at around £20m, or a little below.

Full year figures to end-December are due on Wednesday from tile-maker Marley. Forecasts are complicated by the fact that the previous year's figures covered a 14-month period, because of a change in year-end. Plainly, though, the past year has shown an improvement, if from a low base. More than half of Marley's business is derived from the repair and maintenance market, rather than from new houses, and this has been an excellent market in the past year. In particular, Marley has profited from the upturn in roof tiling attributable to improvement grants. Against a 14-month figure for pre-tax profits of £10.1m in 1982, forecasts for the past year are around the £26m mark.

Other results due next week are full year figures for Donald Macpherson and Grindlays Bank (both on Tuesday), third-quarter figures from Johnson, Matthey on Wednesday, and interim figures from Mitchell Cotts on Thursday.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
Algemene Bank Nederland	Friday¶	—	13.0	—
Bansfords Group	Wednesday	1.4	3.0	1.4
Blagden Industries	Tuesday	3.0	3.0	3.3
BSR International	Friday	—	—	0.35
Consultants (Computer and Financial)	Thursday	—	—	1.8
Crouch, Derek	Friday	1.63	3.42	1.63
D.J. Security Alarms	Thursday	—	—	—
Edmond Holdings	Wednesday	—	—	0.33
First Scottish American Trust	Tuesday	1.4	3.75	1.4
Gen. Accident Fire and Life Assur. Cpn.	Wednesday	7.5	9.5	8.0
GRA Group	Thursday	—	—	—
Grindlays Bank	Tuesday	—	—	—
Kennedy Brookes	Thursday	—	—	—
Law Debenture Corpn.	Thursday	2.0	2.5	2.0
Macpherson, Donald	Tuesday	1.5	2.7	1.5
Marley	Wednesday	1.0	1.5	1.2
Miss World Group	Tuesday	—	—	—
New Darien Oil Trust	Friday	—	0.26	—
Olives Paper Mill	Wednesday	—	—	0.5
Royal Insurance	Thursday	10.0	16.5	10.5
SKF	Tuesday†	—	7.0	—
Tavener Rutledge	Thursday	—	—	—
TSL Thermal Syndicate	Tuesday	1.0	—	—
Vickers	Monday	4.55	3.45	3.0
INTERIM DIVIDENDS				
Amstrad Consumer Electronics	Tuesday	1.12	1.72	
Apex Properties	Monday	0.7	1.3	
Arbuthnot Government Secs. Trust	Wednesday	2.75	2.75	
Burndene Investments	Friday	—	—	
Consd. Plantations Berhad	Thursday‡	5.0	5.0	
Continental Microwave	Monday	1.0	2.5	
Cope Allman International	Wednesday	1.0	1.5	
FII Group	Monday	1.54	3.71	
Industrial Finance and Invest. Corpn.	Tuesday	0.75	1.50	
Intereurope Technology Services	Monday	1.4	2.8	
Jackson, William	Wednesday	—	—	
Johnson, Matthey	Wednesday§	—	—	
Jos Holdings	Tuesday	0.86	2.14	
Mitchell Cotts	Thursday	1.5	2.12	
Peters, Michael Group	Monday	—	—	
Raine Industries	Tuesday	0.17	0.47	
Telefusion	Friday	—	—	
Unigroup	Wednesday	—	—	
Victor Products	Monday	1.8	3.0	
V.W. Thermax	Wednesday	—	—	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue. † Kr per share gross. ‡ Malaysian dollars. § Third quarter. ¶ Fls per share gross

Narborough

First half profits at Narborough Plantations have expanded by £74,000 to £188,000. Income for the six months ended December 31, 1983 totalled £250,000, against £187,000.

A three-for-two scrip issue is proposed, and the directors are confident that the cash amount absorbed by dividends paid in 1982-83 will be maintained. The actual rates paid last year were interim 0.7p (at end June), final 0.8p, and a bonus 0.9p, all subject to Malaysian tax. Pre-tax profit for the year was £194,000.

The half year's income was made up of rubber crop proceeds £267,000 (£173,000), oil palm proceeds £7,000 (£2,000), and replanting refunds £6,000 (£12,000). There was an exchange gain of £4,000 (same), and investment, loans, deposit and sundry income came to £63,000 (£64,000), while expenditure was £141,000 (£123,000) and replanting and nursery expenditure £19,000 (£18,000).

The company's listing has been restored on the Stock Exchange.

Don Brothers

A surge from £397,000 to £859,000 in first half profits is reported by Don Brothers Buist, which is engaged in the manufacture and merchanting of textiles. The interim dividend is lifted from 1.25p to 1.5p.

Turnover for the six months ended November 25 1983 rose by nearly £4.5m to £17.1m. From this came trading profits of £784,000 (£320,000) and there are grants of £75,000 (£77,000). Last October the company purchased Tay Textiles from Scott and Robertson.

After tax £447,000 (£169,000) the net profit is £412,000 (£228,000), for earnings of 6.3p (3.5p) per share.

In the full year ended May 29 1983 the company achieved a pre-tax profit of £1.22m and paid a dividend total of 3.5p.

Lex Service U.S. deal

Lex Service has reached agreement to increase its stake in the David Jamison Carlye Corporation, of the U.S., from 49.9 per cent to 83.1 per cent, through its wholly-owned U.S. subsidiary Lex Service Incorporated.

DJC is a publicly quoted national distributor of computer, microcomputer and telecommunications products and systems with headquarters in Los Angeles.

The increase in LSI's interest in DJC is subject to all required filings under the Hart-Scott-Rodino Antitrust Improvements Act.

The shares will be acquired through LSI exercising a warrant at an aggregate price of $1m, to purchase DJC common stock and also through its holding of 12 per cent convertible notes in DJC to the principal amount of $2m.

LSI will arrange long term financing for DJC which has bank debt of $5m scheduled for maturity at the end of March.

In the year to October 31, 1983, DJC made a $1.26m loss after taxation from continuing operations. However, in the final quarter of the year, DJC made a profit after taxation of $0.12m. Net tangible assets of DJC at that date amounted to $1.15m.

Mr Whitton, a director of Lex Service and President of LSI, stated: "Lex has decided that it can best assist in the development of DJC's operations by exercising its right to assume control of the company. And, to provide the necessary financial support in order for DJC to realise its potential in the important sector of the electronics distribution market in which it operates."

Bell has full acceptance

THE REMAINING 48 per cent of shareholders in Gleneagles Hotels have accepted the increased offer from Arthur Bell & Sons.

The Bell board has announced that acceptances for its increased offer, which closed on February 23, have been received in respect of 6.48m ordinary shares of Gleneagles (70.59 per cent).

Prior to the offer, Bell owned 2.7m ordinary shares in Gleneagles and as a result, the group now owns or has acceptances for 9.18m shares, representing the entire issued ordinary share capital of Gleneagles.

At the board meeting in Edinburgh, Sir Alan Smith, the Gleneagles chairman, advised that in view of the situation he proposed to resign from the board. He had asked for the resignations of the other seven non-executive directors who had all agreed to resign.

It ist understood that the new Gleneagles board will consist of Raymond Miquel as chairman and Geoffrey Cooper and Gerry Gardner of Bell, in addition to Peter Tyrie, who remains as managing director and Peter Bates, the sales and marketing director.

A general meeting will be convened for March 16 1984, or such earlier date as Bell may determine, where a resolution will be proposed to effect a capital reorganisation of Gleneagles, in terms agreed by Bell.

Sun Chemical raises stake in Ault & Wiborg

Sun Chemical bought 14.6 per cent of Ault & Wiborg before 10.30 yesterday morning lifting its stake to 62.6 per cent. By the close of business that investment had been lifted "significantly higher" though the actual figure was not disclosed.

Blocked from launching a takeover at 46p a share earlier this week Sun Chemical has said it will stand in the market to purchase shares at 46p until March 9.

Westwood Dawes

The directors of Westwood Dawes have been concerned for some time over difficulties affecting the company because of uncertainty in the constructional section of the business. This department has been maintained at high cost and over an extended period has represented a severe drain on profitability.

The directors have decided to close the department and concentrate on the roller and pulley operation which has shown a distinct improvement in orders and productivity over the past few months.

They are confident they can maintain this improvement and continue an upward trend in profitability, which can be expected from concentrated effort in this direction, and avoiding the vagaries of the heavy engineering and construction industry. They feel that they should be able to achieve an annual turnover in excess of £1m and a reasonable level of profit.

The rationalisation will cause redundancy costs and stock write-offs of approximately £65,000 which will be reflected in the accounts to the end of 1984.

BIDS AND DEALS IN BRIEF

Statham, Duff, Stoop, brokers, has invested £300,000 in Optronics, the Cambridge Science Park-based fibre-optics company. The deal is a private placement for 27.5 per cent of the company's equity and values Optronics at just over £1m.

* * *

As the recommended offers by Tarmac Roadstone Holdings for Francis Parker have become unconditional and as acceptances have been received relating to over 90 per cent of the ordinary and the deferred shares of Francis, Tarmac intends to compulsorily acquire the remainder.

* * *

Tradition Service Holdings SA of Lausanne, Switzerland, has agreed the sale of their money broking business in Guernsey to Channel Island Money Brokers, a new independent money broking business

Take-over bids and deals

Valor, the gas heater and cooker manufacturer, launched a share-exchange offer for the outstanding 70.1 per cent of Dreamland Electrical Appliances not already owned. Valor acquired most of its 29.9 per cent stake in Dreamland at the end of last *month and is now offering five of its own shares for every 21* Dreamland, valuing the latter at just under 27p per share.

T. Cowie made an agreed bid for fellow Ford main dealer **Hanger Investments** on the basis of four Cowie shares plus 346p cash for every nine Hanger. The Adams family, which controls Hanger, has given irrevocable undertakings to accept in respect of 50.43 per cent of the equity.

Hepworth Ceramics' proposed bid for **Steetley**, a deal which would have merged two of Britain's leading makers of refractory bricks, has been blocked by the Monopolies Commission. The original contested terms, unveiled nearly a year ago, valued Steetley at just under £116m.

Vantona Viyella duly emerged as the new bidder for **F. Miller (Textiles)** and has succeeded where original suitor Nottingham Manufacturing failed. VV is offering two of its own shares for every nine Miller, valuing the latter at almost 48p per share. Shareholders representing over 60 per cent of the equity have already accepted. The earlier offer by Nottingham Manufacturing was agreed by Miller's directors, but met with stiff opposition from other shareholders and lapsed.

Beecham is moving into the Italian pharmaceutical market through the purchase of an 84 per cent stake in Zambeletti, a Milan-based drug company. The deal is costing £42.3m and Beecham acknowledged that the purchase price represents a very good deal as it is less than four times the Italian group's pre-tax profits given that most pharmaceutical companies are valued at between 15 and 25 times their earnings.

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
	Prices in pence unless otherwise indicated.				
Aero Needles	60*	82	43	2.56	Coats (J. & P.)
Alexanders Discnt	578	575	453	28.97	Mercantile Hse
Assoc Leisure	159§§	153	150	44.06	Pleasurama
Ault & Wiborg	46*	47	33††	4.70	Sun Chemical
Bassett Foods	138	148	99	16.67	Avana
Black (Michael)	59§§	60	47	2.21	Emess Lighting
Black (Michael)	69	60	55	2.58	Highgate & Job
Border Brew	175*	218	150	9.40	Forshaws Brtnwd
Downs Surgical	49*§	47½	38½††	6.32	Smiths Inds
Dreamland Elect	28§	28	29	4.21	Valor
Edith	57*	57	47	55.95	Invs in Industry
GB Papers	73*	70	56††	5.45	James River Cpn
Hales Props	206	203	140	3.87	Belgrve (Blckhth)
Hanger Invests	55§§	52	34††	2.51	Cowie (T.)
Ingram (H.)	65*	375	80	1.02	Wasskon
Int Paint	230§	225	162	20.68	Courtaulds
London Brick	175	167	104	‡‡247.14	Hanson Trust
Maynards	250*§	225	198	6.34	Lewis E. Cartier
Miller (F.) (Tex)	48§	46	45	5.53	Vantona Viyella
Porter Chadburn	88*§	106	*112*	*1.46*	*G. M. Firth*
Prince of Wales Hotels	145*	145	117	7.90	Taddale Invs
Rosedimond Inc	53	55	50	3.17	English Assocn
Rosedimond Cap	222	215	185	5.91	English Assocn
Scan Data	113	102	100	2.54	Audiotronic
SIG Davall	47	44½	35	3.64	Vinten
Stenhouse¶	134½§§	131	106	51.05	Reed Stenhse 'A'
Stylo	325*	238	311	32.38	Harris Queensway

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ‖ Loan stock alternative. ** Based on 24/2/84. †† At suspension. ‡‡ Estimated. §§ Shares and cash.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Adams & Gibbon	Dec	624	(336)	—	(—)	5.25	(4.63)
AI Ind Prod	Dec	282L	(484)L	—	(—)	—	(0.1)
Aldcom Int'l	Oct	410	(288)	1.9	(1.7)	0.8	(0.6)
Aaronite Group	Oct	634	(455)	8.3	(7.7)	1.25	(—)
Ault and Wiborg	Dec	207L	(98)L	—	(—)	—	(—)
Bath & Portland	Oct	2,070	(3,360)	11.2	(13.4)	6.0	(6.0)
Braime, TJ & JH	Dec	170	(158)	4.6	(3.6)	3.5	(3.5)
Commercl Union	Dec	9,300	(21,500)	—	(—)	11.8	(11.8)
Howard Mchinry	Oct	755	(502)	—	(—)	—	(—)
ICI	Dec	*619,000*	*(259,000)*	*65.3*	*(24.2)*	*24.0*	*(19.0)*
Jebsons Drilling	Dec	14,200	(19,430)	30.7	(62.3)	—	(10.5)
Jones, Ernest	Oct	464	(168)	3.9	(3.6)	3.9	(3.9)
Ladies Pride	Nov	228	(313)	—	(—)	2.5	(3.4)
Marchwell	Oct	19,520	(15,930)	33.0	(24.7)	9.0	(7.5)
Metal Bulletin	Dec	1,060	(858)	11.6	(10.6)	6.6	(6.0)
Micro Focus	Dec	2,350	(854)	21.0	(9.5)	—	(—)
NCR	Nov	26,420	(23,740)	155.0	(153.0)	—	(—)
Newbld & Burton	Dec	462	(118)	7.1	(1.6)	2.62	(2.38)
Ozalid	Nov	1,270	(2,460)	—	(—)	—	(—)
Padang Senang	Sept	134	(65)	1.2	(0.9)	0.7	(0.5)
STC	Dec	92,200	(64,300)	20.6	(13.4)	4.75	(4.0)
TCB	Dec	6,360	(5,050)	—	(—)	—	(—)
Ward Holdings	Oct	2,720	(836)	26.9	(—)	5.19	(4.2)

Rights Issue

Micro Focus—To raise £9m net via a one for six rights issue of 1,743,069 new ordinary at 535p each.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Acord Computer	Jan	5,210	(2,040)	—	(—)
BPM Holdings	Dec	1,370	(533)	1.88	(1.58)
Daejan Holdings	*Sept*	*5,150*	*(2,780)*	*2.88*	*(1.93)*
Eleco Holdings	Dec	761	(642)	1.0	(0.91)
Guildhall Prop	Dec	621	(555)	—	(0.75)
Plessey	Dec†	43,670	(35,060)	—	(—)
Ramar Textiles	Nov	348	(252)	—	(—)
Saxon Oil	Dec	115	(168)L	—	(—)
Shaw & Marvin	Sept	62L	(211)L	—	(—)
Wintrust	Sept	1,130	(1,010)	1.33	(1.21)

(Figures in parentheses are for the corresponding period.)
* Dividends are shown net pence per share except where otherwise stated. † Third quarter figures. L Loss.

Offers for sale, placings and introductions

APS Group—Private placing of £1m of ordinary shares with Legal & General and Equity & Law Life.
Bexbuild Developments—To raise £2m via an offer of 50p shares at 100p each.
Burmatex—Seeking London Stock Exchange listing by way of a placing.
Canvermoor—Moving up for a full listing.
Horne, Robert—Coming to USM via an offer for sale of 1,803,900 units of capital at 156p per unit.
Scottish Northern Investment Trust—Placed £11m of debenture stock.
Shires Investment—Placing of 1,087,843 new ordinary 50p shares to raise £2m.

Cementation changes

CEMENTATION CIVIL AND SPECIALIST HOLDINGS, a division of Trafalgar House, has consolidated its ground engineering and piling activities under Cementation Piling and Foundations. **Mr Peter Thornton** becomes managing director and **Mr Trevor Philpot** assistant managing director with special responsibilities for ground engineering and structural repair contracts. Drilling and Prospecting International comes under Cementation Mining, Doncaster, whose managing director is **Mr Jim Black**. Cementation Chemicals will operate as a separate company under **Dr Peter Hewlett** who will continue as managing director of Cementation Research. **Mr John Andrew** is appointed divisional marketing director and joins the boards of Cementation Construction, Cementation Piling and Foundations, Cementation Chemicals and RDL Contracting.

★

GUINNESS PEAT PROPERTY GROUP has appointed **Mr Alastair Morton** as chairman of U.S. subsidiary, Guinness Peat Properties Inc. He is chief executive of the group. **Mr Jack A. Shaffer** has been appointed a director. He is senior vice president of Sonnenblick - Goldman Corp. **Mr. Robert W. Feagles** has been appointed a director. He is chairman and chief executive officer, Travelers Asset Management International Corp. and senior vice president, Travelers Insurance Companies. Mr Shaffer and Mr Feagles are based in the U.S.

★

Mr Bryan K. Bowen has been appointed treasury manager of BANQUE BRUXELLES LAMBERT, London branch.

Mr Alain Fiorucci has been appointed managing director and chief executive of CREDIT COMMERCIAL DE FRANCE (SECURITIES), a wholly owned subsidiary of Credit Commercial de France, Paris and part of its merchant banking activities in London. Mr Fiorucci was managing director of Renault Acceptance B.V.

★

Mr Eric Poutain, chairman of Tarmac, is to joint the board of BEATTIES as a non-executive director on March 1.

APPOINTMENTS

McDONNELL DOUGLAS CORPORATION is promoting **Mr Ralph R. Zoellner** to vice-president, Europe, from March 30, replacing **Mr Warren E. Kraemer**, who is retiring. Based at the London offices of McDonnell Douglas, Mr Zoellner will be responsible for marketing operations throughout Europe. He has been marketing director Europe since 1976.

★

Mr Terry Shurwood has been appointed to the board of ORIC PRODUCTS INTERNATIONAL, Ascot, which last month launched the Atmos 48K micro computer. He joins as sales and marketing director, taking over from **Mr Peter Harding** who assumes responsibility for new vertical markets including Viewdata. Mr Shurwood was sales and marketing director for Mattel Electronics (UK).

★

RANKS HOVIS McDOUGALL has appointed **Mr Patrick Best** to the board as a non-executive director. He is a director of B.A.T. Industries and chairman and managing director of its subsidiary, The Wiggins Teape Group; he is also a director of BATUS Inc., holding company of B.A.T. Industries' interests in the U.S.

★

Mr Graham D. Wandrag has been appointed a director of TRADITION (LONDON BROKERS).

★

Mr Ian R. Dickson, group financial controller of NORTH BRITISH STEEL GROUP (HOLDINGS) has been appointed group financial director.

★

ROCHE PRODUCTS has appointed as sales and marketing director **Mr J. S. Munro** who also becomes managing director of Roche Pharmaceuticals (Ireland).

★

SPILLERS MILLING, part of Dalgety (UK), has appointed **Mr Reg Perry** as flour sales director. He was general manager of Spillers' Cambridge Mill.

★

Following completion of the acquisition by the Frizzell Group of the insurance broking interests of the Bolton Group, **Mr K. B. Ohlson**, managing director and chief executive of F. Bolton (Holdings), has been appointed to the board of THE FRIZZELL GROUP.

★

Mr Graham C. Greene, managing director of Jonathan Cape and a past president of the Publishers Association, has been elected president of Groupe des Editeurs de Livres de la C.E.E. (Book Publishers Group of the EEC) in succession to *Dr Giovanni Merlini of Italy*.

★

Mr Geoffrey C. Cooper, formerly marketing director, has become chairman and managing director of CHELTON (ELECTROSTATICS) succeeding *Mr Charles E. Cooper who will be* concerned with the company's avionics development programmes.

★

Mr Jack Mapplebeck has been appointed regional director for the south-east of England by the W. S. ATKINS GROUP. *Before* taking this newly-created post he was director of the consultancy's northern region office of Middlesbrough. **Mr Keith Hounslow**, regional associate at Middlesbrough, has been appointed Atkins' northern region manager. *Mr Joe T. Vincent, general manager*, joins the board of Atkins Inspection Services, and **Mr Graham A. Law**, technical quality manager, joins the board of Atkins Laboratories. Both are W. S. Atkins Group companies.

★

Mr Colin Storm has been appointed to the board of GUINNESS BREWING as personnel director having held the post of personnel manager for the last eight years. He is currently chairman of the *Brewers' Society advisory committee on employment*.

Economic Diary

TODAY: U.S.-Israeli discussions in Washington on duty-free trade pact.

MONDAY: CBI industrial trends survey (February). EEC Agriculture Council meets in Brussels (until February 28). Mr Roy Jenkins to address FT Conference on "The City and Europe—a 10-year appraisal" at Dorchester Hotel, W1.

TUESDAY: New vehicle registrations (January). EEC Research Council meets in Brussels. EEC Economic and Social Committee in plenary session in Brussels (until March 1). FT Conference on "Cable television and satellite broadcasting" at Inter-Continental Hotel, W1 (until February 29). Unions' day of protest over GCHQ ban. Herr Helmut Kohl, West German *Chancellor, arrives in London for* talks with Mrs Margaret Thatcher. Mr Patrick Jenkin, Environment Secretary, to make statement on enterprise zones.

WEDNESDAY: Balance of payments current account and overseas trade figures (January). Teachers' pay talks. Hong Kong budget for fiscal 1984. Contadora Foreign Ministers meet in Panama City.

THURSDAY: Overseas travel and tourism (December). Provisional unemployment and unfilled vacancies (February). Energy trends (December).

FRIDAY: Final car and commercial vehicle production (January). UK official reserves (February). Company liquidity survey (fourth quarter). Capital issues and redemptions (during the month of February). EEC Consumer Council meets in Brussels. Mr Ruud Lubbers, Dutch Prime Minister, has working breakfast with Mrs Margaret Thatcher.

Continued from Page 22

N S Resources 670 750 90 (20/2)
Oakwood Int Pet 91 (22/2)
Oil Co Aust (A$0.35) 41
Oil Search 17½ 17
Oriental Pet Minerals B 0¼0 (22/2)
O'seas Chinese Bkg 560 (22/2)
Palabora Mining 955 (22/2)
Pall Corp £19¼
Pancanadian Pet £12¾ (21/2)
Pancont Pet 150
Pancont Pet Options 30/6/85 10 (21/2)
Parker Drilling 2.50 (22/2)
Penney (J. C.) £35¼0 (21/2)
Pet Secs Aust 124 (17/2)
Peugeot SA FFr 233.950 (17/2)
Phelps Dodge £17¼0 ⅞
Philip Morris US$68¼0 £46 (22/2)
Phillips Pet £28½
Pilgrim Coal £130 (21/2)
Pioneer Concrete Svcs 105
Pittston 926
Placer Devel £10¼ (20/2)
Poseidon 297 301 2 3 10
Prime Computer £12¼ (20/2)
Project Oil Ex 40
Queen Margaret Gold 18 ½ 20
Raytheon £27¼0 (22/2)
Repco 77 (22/2)
Resources Service 145
Reynolds (R. J.) Inds £38 (22/2)
Rovex Sturge Mining 4400 35 (22/2)
Scure Res 303
Selangor Coconuts 1120 (22/2)
Sensormatic Electronics US$16½ (17/2)
Siemens AG £101.450
South Eastern Pet 5½
Sparges Ex 29½0 9
Standard Oil Ohio £31⅞ (22/2)
Steiko A £14 ½
Stirling Pet 6¾
Straits Trading 179 (20/2)
Sun Hung Kai 11½0
Sun Hung Kai Props 61
Super Valu Stores £18¾ (22/2)
Superior Oil £270 (17/2)
Sydney Devel Corp 1250 30
Tandy Corp £23 (20/2)
Target Pet 37 (22/2)
Target Pet (A$0.15) 18 19
Tasminex 24
Teck Corp A 500 (17/2)
Teck Corp B 5250 (22/2)
Terramar Res 26 (22/2)
Texas Oil Gas £15¾
Trans World Airlines 550 (22/2)
Trans World Corp £16 (22/2)
Treasure Valley Ex 720 68
Tri-Continental Corp £16½ (20/2)
Umal Cons 234 (17/2)
Unilever NV (Fl 20) £55.85 (22/2)
United O'seas Bk 1860
Valiant Cons 180
Volkswagenwerk AG £55 (20/2)
Vulcan Minerals 50 (17/2)
Wal-Mart Stores US$32½0 (20/2)
Waste Management £22¾ (22/2)
Wattle Gully Gold 90 (22/2)
West Aust Onshore Oil 17½
West Coast Transmission 770
Westfield Minerals 105 (17/2)
Westinghouse Electric £32¼0 (21/2)
Westmex 120 (22/2)
Wheelock Marden A 32
Wheelock Marden B 2 (17/2)
World Intnl Hldgs 220 (21/2)
Zone Pet 140 (21/2)

RULE 163 (2)

Applications granted for specific *bargains in securities not listed* on any Stock Exchange

All England Lawn Tennis £50 Dbs. 1981-85 £3,900 50 (23/2)
Amal Metal Corp 225 (17/2)
Anglo-Am Agric 40 (22/2)
Arsenal FC 505 20 (21/2)
Batsford 225 (22/2)
Biotechnology Invs (US$0.02) £11½ ⅝ ¾ (22/2)
Burad Intnl 25 6 (17/2)
Cannon St Invs 4 5½ (22/2)
Carraun 11½ 2¼ ½ (22/2)
Castletown Brew 3½pc1stDb 319 20 (22/2)
Channel Hotels Props 49½ (21/2)
Checkpoint Europe 298 300 (17/2)
Church Army Hsg Soc 2½pcLn £10 (17/2)
CIC Inv ¼ 1⅛ (22/2)
Comcl Bk Wales 110 5 (20/2)
Dollar Land 61½ 2 (23/2)
Economic Forestry 150 2 (20/2)
Edenspring Invs 7 8 (23/2)
Farmer Stedall 187 8 (23/2)
Flightspares 325 30 (22/2)
Greendon Tst 11pcLn 1976-85 £18¼ 9 (23/2)
Hartley Baird 10½ (21/2)
ICE Grp 400 5 (21/2)
Irish Press 440 (21/2)
Jerkin Purser 2 ½ (23/2)
Jersey Elec 5pcDbs 1987 £70 (22/2)
Jessel Tst 4 ½ 5 (21/2)
Leisure Insts 11 2 (23/2)
Leisure Invs 11 2 (21/2)
Le Riches Stores 285 (23/2)
MPL Power Systems 61 3 (23/2)
Man Lon Inv Tst 111 3 (21/2)
Memcom Intl 100 1 (20/2)
Merrett 125 6 (22/2)
Norton Villiers Triumph 1½ 2 (22/2)
Plantation Gen Invs 225 (20/2)
Rangers FC £14 (22/2)
Red Rose Radio A NV 20 ½ (21/2)
Shepherd Neame 566 8 70 80
Sinclair Research £38½ (23/2)
Southern Newspapers 203 4 5 9 (23/2)
Southampton IoW Steam Packet 4pcDb £27 30 (22/2)
Stallion Invs 135 (22/2)
Taddale Invs 41 (23/2)
Weetabix A NV 106 8 (21/2)
Welsh Inds Inv Tst Pfd 15 17 (21/2)
Wistech 12 (21/2)
Workington Brewery 5¼pc1stDb 1980-85 £83 5 (23/2)

RULE 163 (3)

Dealings for approved companies engaged solely in mineral exploration

Kenmare Oil Ex 8 (23/2)
Celtic Basin Oil Ex (£1) 26 (22/2)

(By permission of the Stock Exchange Council)

EUROPEAN OPTIONS EXCHANGE

Series		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	Stock
GOLD C	$375	19	55	2	46	—	—	$396.30
GOLD C	$400	205	15	33	28	11	40	"
GOLD C	$425	425	7 A	21	14.10	42	25.50	"
GOLD C	$450	140	3	—	—	—	—	"
GOLD C	$375	25	4.20	3	6	5	9	"
GOLD P	$400	58	10	5	12	4	15.50	"
GOLD P	$425	2	28	—	—	—	—	"
		March		June		Sept.		
SILVER C	$8	4	1.60	5	2.10	—	—	$9.65
SILVER C	$9	2	0.75	32	1.05	7	1.50	"
SILVER C	$10	17	0.20	61	0.61	34	1.10	"
SILVER C	$11	10	0.10	25	0.35	—	—	"
SILVER C	$12	—	—	1	0.29 A	—	—	"
SILVER C	$13	—	—	24	0.13	—	—	"
SILVER P	$9	2	*0.25*	—	—	5	0.65	"
SILVER P	$10	—	—	3	1.10	—	—	"
		April		July		Oct.		
ABN C	F.400	16	20.50	46	24	—	—	F.401
AKZO C	F.80	59	26	5	26 B	—	—	F.103
AKZO C	F.90	108	18.60	6	21.50 B	—	—	"
AKZO C	F.100	555	11.40	79	17.50	9	18	"
AKZO C	F.110	962	7	238	13.50	15	16	"
AKZO C	F.120	457	4 B	223	8.90	21	10	"
AKZO C	F.130	352	2.50	62	5.90	10	7 B	"
AKZO P	F.80	72	1.20	70	4	—	—	"
AKZO P	F.90	458	3.20	195	6	—	—	"
AKZO P	F.100	175	6.50	103	12.50	10	15.50	"
AKZO P	F.110	61	13.80	5	17.50	—	—	"
AMRO C	F.75	279	5.80	58	6.80 B	—	—	F.75
AMRO C	F.80	64	2.40 B	55	4.20 B	6	4.60	"
HEIN C	F.140	37	9.20	51	13	1	16	F.139.50
HEIN C	F.150	71	5.50	21	10	—	—	"
HEIN C	F.160	78	3.50	7	7	—	—	"
HOOG C	F.48.20	63	5.10	39	7	—	—	F.48.50
HOOG C	F.53.20	182	2.80	37	5.50	35	7	"
HOOG P	F.43.20	104	2	27	2.50	—	—	"
HOOG P	F.48.20	69	3.30	26	4.50	—	—	"
KLM C	F.180	47	10.50	12	18	—	—	F.174
KLM C	F.200	46	4.90	15	11	—	—	"
KLM C	F.210	94	3	18	7.90	30	14 B	"
KLM P	F.160	51	3.50	3	6.50	—	—	"
KLM P	F.170	38	9	6	12.70	—	—	"
KLM P	F.180	38	14	31	20	—	—	"
KLM P	F.190	39	21	—	—	115	27.50	"
KLM P	F.200	55	30	—	—	—	—	"
KLM P	F.210	79	40	—	—	—	—	"
PHIL C	F.40	101	6.90	58	8	1	9.50	F.44.80
PHIL C	F.45	368	3.50	64	5.50	56	6.80	"
PHIL C	F.50	446	1.80	190	2.70	78	4.70	"
PHIL C	F.55	486	[illegible]	—	—	—	—	"
PHIL P	F.40	143	1.20	138	2.20	12	3	"
PHIL P	F.45	162	3	15	4.30 A	5	5 A	"
RD C	F.140	60	15	36	18	9	23	F.150.30
RD C	F.150	204	9 A	88	13.50	19	17	"
RD C	F.160	138	5.20	46	8.90	9	14	"
RD P	F.170	69	2.40	550	5.90	24	8.70	"
RD P	F.130	170	0.60	17	3.50	—	—	"
RD P	F.140	164	3	889	5.90	—	—	"
RD P	F.150	115	5.50	56	10	—	—	"
UNIL C	F.260	46	8	21	14	—	—	F.244

TOTAL VOLUME IN CONTRACTS 19,456
A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

A.B.N. Bank	9 %	■ Hambros Bank	9 %
Allied Irish Bank	9 %	Heritable & Gen. Trust	9 %
Amro Bank	9 %	■ Hill Samuel §	9 %
Henry Ansbacher	9 %	C. Hoare & Co. †	9 %
Arbuthnot Latham	9 %	Hongkong & Shanghai	9 %
Armco Trust Ltd.	9 %	Kingsnorth Trust Ltd.	10 %
Associates Cap. Corp.	9½%	Knowsley & Co. Ltd.	9½%
Banco de Bilbao	9 %	Lloyds Bank	9 %
Bank Hapoalim BM	9 %	Mallinhall Limited	9 %
BCCI	9 %	Edward Manson & Co.	10 %
Bank of Ireland	9 %	Meghraj and Sons Ltd.	9 %
Bank Leumi (UK) plc	9 %	Midland Bank	9 %
Bank of Cyprus	9 %	■ Morgan Grenfell	9 %
Bank of Scotland	9 %	National Bk. of Kuwait	9 %
Banque Belge Ltd.	9 %	National Girobank	9 %
Banque du Rhone	10 %	National Westminster	9 %
Barclays Bank	9 %	Norwich Gen. Tst.	9 %
Beneficial Trust Ltd.	10 %	R. Raphael & Sons	9 %
Bremar Holdings Ltd.	9 %	P. S. Refson & Co.	9 %
Brit. Bank of Mid. East	9 %	Roxburghe Guarantee	9½%
■ Brown Shipley	9 %	Royal Trust Co. Canada	9 %
CL Bank Nederland	9 %	■ J. Henry Schroder Wagg	9 %
Canada Perm't Trust	10 %	Standard Chartered ‖	9 %
Castle Court Trust Ltd.	9½%	Trade Dev. Bank	9 %
Cayzer Ltd.	9 %	TCB	9 %
Cedar Holdings	9 %	Trustee Savings Bank	9 %
■ Charterhouse Japhet	9 %	United Bank of Kuwait	9 %
Choulartons	10½%	United Mizrahi Bank	9 %
Citibank Savings ¶	10½%	Volkskas Intnl. Ltd.	9 %
Clydesdale Bank	9 %	Westpac Banking Corp.	9 %
C. E. Coates	9½%	Whiteaway Laidlaw	9½%
Comm. Bk. of N. East	9 %	Williams & Glyn's	9 %
Consolidated Credits	9 %	Wintrust Secs. Ltd.	9 %
Co-operative Bank *	9 %	Yorkshire Bank	9 %
The Cyprus Popular Bk.	9 %		
Dunbar & Co. Ltd.	9 %		
Duncan Lawrie	9 %		
E. T. Trust	9½%		
Exeter Trust Ltd.	10 %		
First Nat. Fin. Corp.	11 %		
First Nat. Secs. Ltd.	10½%		
Robert Fraser	10 %		
Grindlays Bank ‡	9 %		
■ Guinness Mahon	9 %		

■ Members of the Accepting Houses Committee.
* 7-day deposits 5.5%. 1-month 6%. Fixed rate 12 months £2,500 9%. £25,000, 12 months 9.5%.
† 7-day deposits on sums of: under £10,000 5½%. £10,000 up to £50,000 6¼%, £50,000 and over 7½%.
‡ Call deposits £1,000 and over 5½%.
‖ 21-day deposits over £1,000 6½%.
§ Demand deposits 5½%.
¶ Mortgage base rate.

LONDON TRADED OPTIONS

Option		Calls Apr.	Calls July	Calls Oct.	Puts Apr.	Puts July	Puts Oct.
B.P. (*425)	390	45	50	—	6	15	—
	420	35	30	37	25	27	35
	460	6	12	20	50	55	60
Cons. Gold (*602)	460	150	155	—	1	5	—
	500	110	115	—	1	6	—
	550	67	75	80	10	18	22
	600	36	47	60	25	37	32
	650	11	22	35	40	47	—
Courtaulds (*138)	90	49	51	—	0½	1	—
	100	39	41	—	1½	2	—
	110	29	30	—	1½	2½	—
	120	21	25	—	3½	5	—
	130	12	16	—	8	9	—
	140	5½	10	15	10	15	18
	160	3	6	7	24	27	29
Com. Union (*173)	160	17	22	—	3	6	—
	180	7	13	17	11	15	18
	200	2	7	13	28	33	35
G.E.C. (*177)	160	24	32	—	1½	4	—
	180	13	20	28	6	11	14
	200	4	10	16	25	28	30
	220	1½	4	—	45	—	—
Grand Met. (*345)	300	55	58	—	2	3	—
	330	25	36	38	3	11	17
	360	9	16	25	25	30	30
	390	2	7	—	40	—	—
I.C.I. (*602)	500	96	—	—	1	—	—
	550	46	52	64	4	8	13
	600	21	34	44	28	22	42
	650	4½	14	22	56	68	76
Land Secur. (*265)	214	57	64	—	2	4	—
	236	34	44	—	2	4	—
	260	20	24	32	6	7	8
	280	11	13	20	18	20	21
	300	4	7	12	41	42	—
Marks & Sp. (*224)	180	46	—	—	2	—	—
	200	27	32	—	2	4	—
	220	10	18	24	5	8	14
	240	3	9	14	17	22	22
Shell Trans. (*625)	550	81	90	—	3	5	—
	600	39	48	57	15	15	15
	650	9	20	30	35	38	42
	700	3	8	15	75	80	84

Option		Calls May	Calls Aug.	Calls Nov.	Puts May	Puts Aug.	Puts Nov.
Barclays (*537)	420	120	—	—	2	—	—
	460	80	90	—	2	5	—
	500	47	57	70	8	8	13
	550	20	32	44	32	35	32
	600	5	17	24	77	85	—
Imperial Gp. (*138)	110	32	—	—	1	—	—
	120	22	28	—	1	2	—
	130	15	18	[illegible]	2	3	4
	140	5	10	[illegible]	8	[illegible]	7
LASMO (*311)	240	85	87	—	3	6	—
	260	67	77	—	6	14	—
	280	53	63	—	10	22	—
	300	45	45	50	15	30	37
	330	25	28	33	25	47	55
	360	15	18	—	58	63	—
Lonrho (*153)	100	48	49	—	1	1	—
	110	39	40	—	1	2	—
	120	30	31	—	1	3½	—
	130	21	22	—	2	4	—
	140	12	16	—	4	6	—
	160	4	8	—	15	16	—
P. & O. (*275)	220	54	—	—	2	—	—
	240	35	49	—	4	8	—
	260	27	34	40	8	12	15
	280	17	24	28	10	15	20
Racal (*213)	180	40	48	—	3	5	—
	200	24	32	40	8	14	16
	220	14	20	28	20	22	25
	240	4	13	—	38	—	—
R.T.Z. (*559)	550	125	135	—	5	6	—
	600	90	92	—	5	8	—
	650	40	60	72	27	35	40
	700	19	25	48	60	60	75
Vaal Reefs (*$150)	90	42	44	—	1	—	—
	100	32	35	—	1	—	—
	110	23½	26½	—	1	2	—
	120	16½	18½	22	1½	3½	5
	130	10	11½	14½	10½	15	16½
	140	8	8	—	—	—	—

Option		Calls Mar.	Calls June	Calls Sep.	Puts Mar.	Puts June	Puts Sep.
Beecham (*315)	280	38	46	—	1	2	—
	300	18	28	30	2	5	8
	330	5	18	18	23	35	15
	360	1	5	—	45	—	—
Boots (*206)	180	26	30	—	1	2	—
	200	9	14	20	2	8	10
	220	2	5	10	15	17	18
De Beers (*$550)	700	110	180	155	3	10	21
	800	32	57	82	22	25	48
	850	8	55	70	75	80	95
Guest Keen (*200)	160	43	45	51	1	2	3
	180	24	29	32	3	7	12
	200	11	16	22	8	12	16
	220	2	5	10	20	22	28
Hanson (*172)	133	44	49	—	1	1	—
	150	27	30	—	2	3	—
	160	17	22	28	3	7	9
	173	9	15	18	8	12	16
	180	6	10	15	12	14	18
	187	4	8	12	12	17	20
	200	1½	3	7	32	34	36
Tesco (*170)	160	13	20	23	3	8	7
	180	5	8	12	12	15	14

Feb. 24. Total Contracts. 4,256. Calls 2,747. Puts 1,489.
* Underlying security price.

UNIT LINKED QUOTATIONS

Fund		Life Bid	Life Offer	Pensions Bid	Pensions Offer
UK Equity	Acc	118.6	124.9	120.9	127.3
	Cap	113.6	119.6	119.8	126.2
Special Sits	Acc	112.5	118.5	112.6	118.5
	Cap	110.5	116.3	112.6	118.4
Fixed Int.	Acc	150.2	158.2	160.7	167.6
	Cap	149.8	157.7	149.7	157.6
Cash Deposit	Acc	102.5	107.9	102.6	108.0
	Cap	102.5	107.9	102.6	108.0
Property	Acc	101.6	107.0	101.6	107.2
	Cap	101.6	107.0	101.6	107.2
N. American	Acc	97.9	103.2	98.0	103.2
	Cap	97.9	103.0	97.9	103.0
Pacific Basin	Acc	140.2	147.5	137.5	144.8
	Cap	137.0	144.2	136.9	143.7
Managed	Acc	117.4	123.6	119.3	125.6
	Cap	116.5	122.6	117.7	123.9

LADBROKE INDEX
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811-815 (+7)
Tel: 01-493 5261

Granville & Co. Limited

Member of NASDIM

27/28 Lovat Lane London EC3R 8EB   Telephone 01-621 1212

Over-the-Counter Market

1983-84 High	1983-84 Low	Company	Price	Change	Gross div. (p)	Yield %	P/E Actual	P/E Fully taxed
142	120	Ass. Brit. Ind. Ord.	125	—	6.4	5.1	7.3	9.5
158	117	Ass. Brit. Ind. CULS	138	—	10.0	7.2	—	—
76	62	Airsprung Group	72	—	6.1	8.5	20.6	20.6
38	21	Armitage & Rhodes	27	—	—	—	—	—
330	141½	Bardon Hill	320	—	7.2	2.3	13.1	26.6
58	53	Bray Technologies	58	—	2.7	4.7	10.5	11.4
200	197	CCL Ordinary	197	—	5.0	2.5	4.5	6.3
151	121	CCL 11pc Conv. Pref.	147	—	15.7	10.7	—	—
350	100	Carborundum Abrasives	350	—	5.7	1.6	—	—
249	100	Cindico Group	103	—	17.6	17.0	—	—
63	45	Deborah Services	58xd	+ 1	6.0	10.3	31.0	50.4
199	75	Frank Horsell	199	—	—	—	8.3	13.7
186	75½	Frank Horsell Pr Ord 87	186	—	8.7	4.7	7.8	12.8
69	29	Frederick Parker	29	—	4.3	14.8	—	—
39	32	George Blair	35	—	—	—	—	—
80	46	Ind. Precision Castings	48	—	7.3	15.2	13.3	16.6
265	134	Isis Conv. Pref.	265	—	17.1	6.5	—	—
121	61	Jackson Group	119	—	4.5	3.8	6.2	12.2
242	169	James Burrough	237	—	11.4	4.8	13.1	13.5
345	275	Minihouse Holding NV	340	—	4.0	1.2	25.6	31.2
176	108	Robert Jenkins	108	—	20.0	18.5	12.6	8.4
74	60	Scruttons "A"	60	—	5.7	9.5	10.0	7.2
120	64	Torday & Carlisle	64	—	2.9	4.5	—	—
444	385	Trevian Holdings	444	+ 2	—	—	9.0	8.3
26	17	Unilock Holdings	18	—	1.0	5.5	11.8	17.1
92	65	Walter Alexander	82	− 2	6.8	7.7	7.7	10.8
276	276	[illegible]	[illegible]	—	17.1	7.2	3.7	7.5

Bargain hunting on Wall St

SHARPLY HIGHER levels developed in moderate trading on Wall Street yesterday, when investors hunted for bargains after a nearly seven week market slump.

By 1 pm the Dow Jones Industrial Average was up 12.88 to 1,147.51, reducing its loss on the holiday shortened four day week to 1.36, while the NYSE All Common Index, at $89.66, rose 97 cents on the day and 7 cents on the week. The Transport Index gained 9.06 to 503.08. Advancing issues led declines by about a five-to-two majority. Volume, however, decreased 2.8m shares to 68.85m, compared with 1 pm Thursday.

Investors also reacted to Thursday's news of a modest $300m rise in the U.S. Money Supply.

Gulf led the active list, off $1 at $63 on volume of nearly 2m sales. Mesa, which is tendering for Gulf stock, was up $¾ to $17⅞. Gulf offered to buy out Mesa's stake in Gulf at a more than $500m gain.

Honeywell, unchanged at $53⅞, is rumoured to have made an acquisition offer for **Tymshare**, which did not trade.

Gains in the active list included **Grolier**, up $¼ to $4⅞, **Chrysler** $¾ to $27⅛, **Ford** $¾ to $36⅞, and **ATT** $¼ to $17⅛.

THE AMERICAN SE Market Value Index moved up 2.70 to 206.05, for a net gain of 0.39 on the week. Trading volume decreased 1.62m shares to 3.62m, compared with 1 pm Thursday.

Canada

Sharply higher over a broad trading range around mid-day.

The Toronto Composite Index rose 15.7 to 2,384.3. Metals and Minerals 13.9 to 2205.7, Oil and Gas 44.2 to 3283.3 and Banks 4.20 to 460.98. But Golds fell 90.0 to 4512.2.

Germany

Mostly higher amid optimism generated by the renewed strength of the Deutschemark.

The Commerzbank Index added 6.6 at 1,034.5 as Foreign investors flocked back to German stocks.

Brokers pointed out that markets have at least temporarily detached themselves from New York trends, an achievement largely traced to the Deutschemark's gathering strength versus the Dollar and the diminished role played by interest rates.

Chemicals were broadly higher.

A tax probe at **Bayer**, up DM 0.90 at 168.7, continued to hamper its performance in Bourse trading.

Daimler-Benz advanced DM 7 to 580 and **Volkswagen** picked up DM 2.60 to 211.1. **Siemens** rose DM 5.10 to 397.5.

Paris

Higher in active trading as the market greeted news that "Truckers" were ending their blockade of the Nation's Highways.

Advances outscoring declines by 115 to 41 in the French section.

Dealers said gains on the Bourse could have been steeper if not for continued concern over Wall Street's performance and the latest report by the National Statistics Institute, which indicates that industrial output will remain weak.

Banks, Foods, Motors, Electricals, Metals, Oils and Chemicals advanced. Engineerings were weaker, while Portfolios, Stores and Constructions ended mixed.

Trading in shares of **Saulnes** and **Chantiers Navals France-Dunkerque** was suspended because of an order imbalance following a surge of buying orders.

Also trading in **Crouzet** was suspended because of an imbalance in orders to sell. Dealers said the company had disappointing results for 1983.

Foreign issues were mixed. Americans, Germans and Gold Mines showed strength.

Switzerland

Domestic shares steady in thin trading with many operators out of the market ahead of the week-end.

News that **Union Bank of Switzerland**, off SwFr 20 at 3,540, and **Ciba-Geigy**, off SwFr 15 at 2,310, will both increase their dividend on 1983 business was widely in line with market expectations and failed to encourage buying.

The Swiss Bond Market closed quietly steady with new Swiss Franc Foreign Bonds marked lower.

In Foreign shares, Dollar stocks traded around overnight New York levels in thin volume. In Dutch Internationals, **Philips** firmed.

Tokyo

Higher in light trading on selective buying of speculative and incentive-backed issues.

The Nikkei Industrial Average rose 23.31 to 9,962.87. Volume 270m (200m) shares.

Institutional investors bought Electronics and Semi-Conductor related shares on news that major integrated circuit makers plan to boost production capacity to meet rising demand.

Shinetsu Chemical rose Y30 to 1,160, **Toshiba Ceramic** Y70 to 1,470, **Nippon Kogaku** Y30 to 1,120 and **Kokusai Electric** Y70 to 2,050.

Communications were in demand.

"Populars" and Blue Chips were also higher.

JAL lost Y30 to 3,220, despite forecasting a 7 per cent rise in passengers and a 7 to 8 per cent increase in cargo carried in the year starting April 1.

Foods, Beverages, non-Ferrous Metals and Car Parts were higher, but Textiles declined.

Machine Tools gained ground, including **Amada** up Y60 to 1,190.

Hong Kong

The Stock Market closed near the day's lows on expectations that next week's Budget may have an adverse impact on equities.

The Hang Seng Index fell 18.53 to 1,045.76 after a quiet and slow trading day.

Turnover was slightly inflated, though, by a single large order transacted overnight in London but included in Friday's volume figure. Lee Shau-Kee, a director of **Hong Kong and China Gas**, sold 1m shares of the company at $HK71 each, sources close to Lee said. There was speculation that Lee wants to invest the funds in the local Property Market.

Hong Kong and China shares closed at $HK73.50, down $HK2.50.

Singapore

Prices advanced in moderate trading on the first day of the new settlement month, but interest was concentrated mostly in "smaller" companies.

The Straits Times Index reversed a two-day downtrend and rose 9.04 to 1,022.76. But the improvement appeared to be mainly a technical correction to recent losses.

Industrials and commodities posted broad gains, but most other sectors showed little clear direction.

Among the generally "flat" Property sector, **Singapore Land** jumped 45 cents to S$5.90, and its volume soared to nearly 10 times its average. Expectations that 1983 profit will show a substantial increase over year-earlier levels, which could lead to a free-scrip issue, fuelled the rise, dealers said.

Australia

Some profit-taking in the wake of good company results pushed share prices lower in moderate trading.

The All Ordinaries Index eased 1.7 to 743.8.

Traders said seasonal selling of stocks to raise cash for the annual tax payments period contributed to the decline.

Golds were mixed following Thursday's sharp gains. **Gold Mines of Kalgoorlie** further improved 15 cents to A$10.40.

Bougainville rose one cent to A$2.57 on heavy selling after its five-fold profit rise. Parent company **CRA** rose 6 cents to A$5.44.

Textiles firmed on news of **Bonds Coates Paton** lifting its profit 18 per cent and making a 1-for-5 bonus issue.

Closing prices for North America were not available for this edition.

NEW YORK

CANADA

DENMARK

NETHERLANDS

AUSTRALIA

JAPAN (continued)

FRANCE

NORWAY

SPAIN

HONG KONG

GERMANY

SWEDEN

AUSTRIA

JAPAN

SINGAPORE

BELGIUM/LUXEMBOURG

SWITZERLAND

ITALY

SOUTH AFRICA

Indices

NEW YORK ACTIVE STOCKS

هكذا صدر الأصل

FOREIGN EXCHANGES

Dollar weak

The dollar was again weak, moving downwards despite rising U.S. money supply, and expanding economy, and wars in the Middle East—all factors that would have pushed the currency up only a few weeks ago.

M1 money supply rose by rather less than the market expected, but is now only just within its target range, while Thursday's figure on durable goods confirmed fast economic growth, but the market is now concerned about the effects of this on inflation, and was not surprised in seeing consumer prices rise 0.6 per cent last month, compared with a revised 0.3 per cent in December. Until recently the dollar would have been supported by the implication that rising inflation meant high interest rates, but with dealers worried about U.S. competitiveness even the wars in the Gulf and Lebanon were unable to support the dollar which fell to DM 2.6305 from DM 2.6535 against the D-mark; FFr 8.1025 from FFr 8.1750 against the French franc; SwFr 2.1770 from SwFr 2.1865 in terms of the Swiss franc; and Y233.05 from Y233.35 against the yen.

The dollar's trade-weighted index on Bank of England figures fell to 127.5 from 128.0.

Sterling's trade-weighted index declined to 82.6 from 82.7, after standing at 82.5 at noon, and 82.6 at the opening. The pound rose 90 points to $1.4710-1.4720, but fell to DM 3.8725 from DM 3.8825 and FFr 11.92 from FFr 11.9525. It was firmer against non-EMS currencies however, rising to SwFr 3.2050 from SwFr 3.20, and Y343.25 from Y341.50.

£ in New York (latest)

	Feb. 24	Prev. close
Spot	$1.4715-4725	$1.4630-4636
1 month	0.08-0.11 dis	0.09-0.10 dis
3 months	0.33-0.37 dis	0.34-0.36 dis
12 months	1.73-1.85 dis	1.76-1.83 dis

£ forward rates are quoted in U.S. cents discount.

THE POUND SPOT AND FORWARD

Feb 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	1.4610-1.4735	1.4710-1.4720	0.07-0.12c dis	−0.77	0.32-0.37dis	−0.94
Canada	1.8250-1.8400	1.8380-1.8390	0.05-0.15c dis	−0.65	0.25-0.35dis	−0.65
Nethlnd.	4.33¾-4.40½	4.36¾-4.37¾	1⅝-1⅛c pm	3.08	3¾-3¼ pm	3.20
Belgium	78.65-79.60	79.20-79.30	20-30c dis	−3.78	73-83 dis	−3.94
Denmark	14.08-14.26	14.19½-14.20½	0.30-1.35ore dis	−0.70	2.80-3.85dis	−0.94
Ireland	1.2480-1.2600	1.2540-1.2550	0.25-0.33p dis	−2.82	0.93-1.05dis	−3.17
W. Ger.	3.83½-3.89½	3.86¾-3.87¾	1⅞-1⅝pf pm	3.49	3½-3 pm	3.36
Portugal	192.50-194.50	193.75-194.25	285-560c dis	−26.51	700-1365dis	−21.29
Spain	220.40-223.20	221.75-221.95	170-195c dis	−9.87	540-590dis	−10.19
Italy	2384½-2408½	2400½-2402½	16-17lire dis	−7.99	50¾-52¾dis	−8.62
Norway	11.04-11.17	11.12½-11.13½	2.65-3.80ore dis	−3.48	10.0-11.0dis	−3.77
France	11.83-11.97	11.91½-11.92½	6½-7½c dis	−7.05	26-27 dis	−8.89
Sweden	11.46½-11.56¾	11.54¾-11.55¾	1.55-2.40ore dis	−2.05	4.40-5.40dis	−1.70
Japan	339¾-344¾	342¾-343¾	0.70-0.60y pm	2.27	2.25-2.15 pm	2.56
Austria	27.08½-27.45	27.28-27.33	7⅝-5⅝gro pm	2.91	23¾-18¾ pm	3.05
Switz.	3.17¾-3.21½	3.20-3.21	1¾-1¼c pm	5.62	4⅝-4⅛ pm	5.46

Belgian rate is for convertible francs. Financial franc 82.65-82.75. Six-month forward dollar 0.77-0.82c dis. 12-month 1.745-1.85c dis. *February 23—the closing rate should have read 3.87¾-3.88¾.

THE DOLLAR SPOT AND FORWARD

Feb 24	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4610-1.4735	1.4710-1.4720	0.07-0.12c dis	−0.77	0.32-0.37dis	−0.94
Ireland†	1.1665-1.1700	1.1690-1.1700	0.24-0.21c pm	2.31	0.72-0.62 pm	2.30
Canada	1.2487-1.2500	1.2495-1.2500	0.02c pm-par	0.10	0.07-0.05 pm	0.19
Nethlnd.	2.9695-2.9800	2.9695-2.9715	1.00-0.90c pm	3.83	3.05-2.95 pm	4.03
Belgium	53.80-53.95	53.83-53.85	12-17c dis	−3.23	35-44 dis	−2.97
Denmark	9.6350-9.6775	9.6450-9.6500	¼ore pm-¼ dis	—	¼ pm-¼ dis	—
W. Ger.	2.6225-2.6460	2.6300-2.6310	0.91-0.86pf pm	4.03	2.94-2.79 pm	4.27
Portugal	131.50-132.85	131.50-132.00	175-375c dis	−25.10	450-900dis	−20.45
Spain	150.85-151.25	150.90-151.00	110-125c dis	−9.34	330-365 dis	−9.21
Italy	1630½-1635	1632-1633	9¾-10¾lire dis	−7.44	31-31½ dis	−7.68
Norway	7.5640-7.5800	7.5675-7.5725	1.45-2.05ore dis	−2.77	5.10-5.60dis	−2.83
France	8.0900-8.1325	8.1000-8.1050	4¾-5¾c dis	−7.77	17-19 dis	−8.89
Sweden	7.8425-7.8550	7.8450-7.8500	0.70-1.10ore dis	−1.38	1.25-1.75dis	−0.76
Japan	232.25-233.40	233.00-233.10	0.62-0.58y pm	3.09	2.07-2.02 pm	3.51
Austria	18.53-18.58	18.54-18.55	6.10-5.50gro pm	3.75	19.25-17.25pm	3.94
Switz.	2.1725-2.1860	2.1765-2.1775	1.12-1.08c pm	6.06	3.50-3.45 pm	6.39

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 56.18-56.23.

OTHER CURRENCIES

Feb. 24	£	$		£ Note Rates
Argentina Peso	41.83-41.98	28.52-28.55	Austria	27.15-27.45
Australia Dollar	1.5550-1.5570	1.0595-1.0600	Belgium	82.30-83.10
Brazil Cruzeiro	1,725.2-1,735.2	1,175-1,182	Denmark	14.11-14.25
Finland Markka	8.3550-8.3685	5.6760-5.6810	France	11.87-11.98
Greek Drachma	147.75-148.15	100.75-101.15	Germany	3.85¼-3.89¼
Hong Kong Dollar	11.405-11.415	7.7730-7.7780	Italy	2375-2405
Iran Rial	126.75*	87.40*	Japan	340-345
Kuwait Dinar (KD)	0.4285-0.4295	0.29230-0.29240	Netherlands	4.35-4.39
Luxembourg Fr.	79.20-79.30	53.83-53.85	Norway	11.09-11.20
Malaysia Dollar	3.4210-3.4270	2.3320-2.3335	Portugal	190-200
New Zealand Dlr.	2.2120-2.2170	1.5040-1.5065	Spain	219-229
Saudi Arab. Riyal	5.1400-5.1510	3.5050-3.5100	Sweden	11.49-11.60
Singapore Dollar	3.1160-3.1220	2.1245-2.1250	Switzerland	3.18¾-3.21¾
Sth African Rand	1.7710-1.7740	1.2035-1.2055	United States	1.46¼-1.48¼
U.A.E. Dirham	5.3845-5.3900	3.6720-3.6730	Yugoslavia	199-210

* Selling rates.

EXCHANGE CROSS RATES

Feb. 24	Pound Sterling	U.S. Dollar	Deutsche m'k	Japanese Yen	French Franc	Swiss Franc	Dutch Guild	Italian Lira	Canada Dollar	Belgian Fran
Pound Sterling	1.	1.472	3.873	343.3	11.92	3.205	4.373	2402.	1.829	79.25
U.S. Dollar	0.680	1.	2.631	233.1	8.103	2.177	2.971	1633.	1.250	53.84
Deutschemark	0.258	0.380	1.	88.64	3.078	0.828	1.129	620.1	0.475	20.46
Japanese Yen 1,000	2.913	4.287	11.28	1000.	34.73	9.337	12.74	6996.	5.356	230.9
French Franc 10	0.839	1.234	3.249	288.0	10.	2.689	3.668	2015.	1.542	66.48
Swiss Franc	0.312	0.459	1.208	107.1	3.719	1.	1.364	749.3	0.574	24.73
Dutch Guilder	0.229	0.337	0.886	78.50	2.726	0.733	1.	549.2	0.420	18.12
Italian Lira 1,000	0.416	0.613	1.613	142.9	4.964	1.335	1.821	1000.	0.766	33.00
Canadian Dollar	0.544	0.800	2.106	186.7	6.484	1.743	2.378	1330.	1.	43.11
Belgian Franc 100	1.263	1.857	4.886	433.1	15.04	4.044	5.517	3030.	2.320	100.

MONEY MARKETS

Slightly easier

Short-term interest rates were slightly easier on the money market yesterday. Three-month interbank eased to 9 5/16 per cent from 9⅜ per cent, but discount houses buying rates for three-month eligible bank bills were unchanged at 8¾-8 13/16 per cent.

The Bank of England forecast a money market shortage of £300m, but this was later revised to £350m. Total help provided by the authorities was £387m. Before lunch the Bank of England bought £300m bills including £113m outright by way of £1m bank bills in band 1 (up to 14 days maturity) at 9 1/16 per cent; £56m bank bills in band 2 (15-33 days) at 9 per cent; ...6m bank bills in band 3 (34-63 days) at 8 15/16 per cent; £1m local authority bills in band 4 (64-91 days) at 8⅞ per cent; and £49m bank bills in band 4 at 8⅞ per cent.

Another £187m bills were purchased for resale to the market on March 28 at 9 per cent.

In the afternoon £87m bills were bought outright through £47m bank bills in band 2 at 9 per cent; £5m bank bills in band 3 at 8 15/16 per cent; and £35m bank bills in band 4 at 8⅞ per cent.

Major factors against the market were: bills maturing in official hands, repayment of late advances, and take-up of Treasury bills draining £184m, and a rise in the note circulation absorbing another £230m. These were partly offset by Exchequer transactions adding £110m to liquidity, partly through payment of £92m in housing grant to local authorities.

The Bank of England also announced it is making temporary facilities available to smooth out exceptional money market pressures which, if fully utilised, would total £900m.

The facilities will take the form of 1 per cent of banks eligible liabilities and will come into effect from March 2 and will last until March 30. Part of the facility will take the form of repurchase agreements on gilt-edged stock, and the rest will be against promissory notes on medium and long term sterling export credit paper or shipping paper, both of which are Government guaranteed.

UK clearing banks' base lending rate 9 per cent (since October 4 and 5)

LONDON MONEY RATES — Discount Houses Deposit and Bill Rates

Feb. 24 1984	Sterling Certificate of deposit	Interbank	Local Authority deposits	Company Deposits	Market Deposits	Treasury (Buy)	Treasury (Sell)	Eligible Bank (Buy)	Eligible Bank (Sell)	Fine Trade (Buy)
Overnight	—	8-9¼	9⅛	9-9¼	8-9⅛	—	—	—	—	—
2 days notice	—	—	9⅛-9¼	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 day notice	—	9¼-9½	9⅛-9¼	9⅛	9-9⅛	—	—	—	—	—
One month	9⅛-9⅛	9⅛-9⅜	9 3/16	9½	9-9⅛	9	8 13/16	9-9⅛	8 13/16-9	9⅝
Two months	9⅛-9¼	9⅛-9⅜	9¼	9½	9-9⅛	8⅞	8⅞-8 13/16	8 13/16-8⅞	8 13/16-8¾	9⅝
Three months	9⅛-9¼	9⅛-9⅜	9 5/16	9⅝	9-9⅛	8⅞	8 13/16	8⅞-8 13/16	8⅞-8¾	9½
Six months	9⅛-9⅜	9⅛-9½	9½	—	—	—	—	8⅞	8⅞	9 9/16
Nine months	9⅛-9⅝	9½-9⅝	9⅝	—	—	—	—	—	—	—
One year	9½-9⅝	9⅝-9¾	9⅝	—	—	—	—	—	—	—

	Local Auth. negotiable bonds	Local Authority Deposits	Finance House Deposits	$ Cert of Deposits	SDR Linked Deposits	ECU Linked Deposits
One month	9⅝-9⅜	—	9⅛	9.75-9.85	9¼-9½	10-10¼
Two months	9¾-9½	—	9 3/16	9.75-9.85	9⅜-9⅝	10-10¼
Three months	9¾-9½	—	9⅜	9.8-9.9	9 7/16-9 11/16	10-10¼
Six months	9⅞-9⅝	—	9½	10.05-10.15	9½-9¾	10-10¼
Nine months	9¾-9½	—	9⅝	10.15-10.35	—	—
One year	9½-9½	—	9 11/16	10.35-10.5	9¾-10	10⅛-10⅜
Two years	—	10½	—	—	—	—
Three years	—	10⅝	—	—	—	—
Four years	—	10⅞	—	—	—	—
Five years	—	11	—	—	—	—

ECGD Fixed Rate Export Finance Scheme IV Average Rate for interest period January 4 to February 7, 1984 (inclusive): 9.493 per cent. Local authorities and finance houses seven days' notice, others seven days' fixed Finance Houses Base Rates (published by the Finance Houses Association). 9½ per cent from February 1, 1984. London and Scottish Clearing Bank Rates for lending 9 per cent. London Deposit Rate for sums at seven days' notice 5½ per cent. Treasury Bills: Average tender rates of discount 8.8473 per cent. Certificate of Tax Deposit (Series 6). Deposits of £100,000 and over held under one month 9¼ per cent; one-three months 9½ per cent; three-six months 9¾ per cent; six-12 months 10¼ per cent. Under £100,000 9¼ per cent from February 6. Deposits held under Series 4-5 10¼ per cent. The rate for all deposits withdrawn for cash 6 per cent.

FT LONDON INTERBANK FIXING

LONDON INTERBANK FIXING (11.00 a.m. February 24)

3 months U.S. dollars: bid 10 1/8 — offer 10 1/4

6 months U.S. dollars: bid 10 3/8 — offer 10 1/2

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

EURO-CURRENCY INTEREST RATES (Market closing rates)

Feb. 23	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	D-mark	French Franc	Italian Lira	Belgian Franc Conv.	Belgian Franc Fin.	Yen	Danish Kroner
Short term	9-9⅛	9½-9¾	9½-9¾	5⅞-6	1¾-1½	5 7/16-5 9/16	12-12⅛	16-17	11-11½	11½-12	6⅜-6½	10¼-10¾
7 days' notice	9⅛-9¼	9½-9¾	9½-9¾	5⅞-6	6½-6½	5 7/16-5 9/16	12½-13½	16⅝-18⅛	12-13	11½-12¼	6½-6¾	10¼-10¾
Month	9¼-9¼	9 11/16-10 1/16	9 11/16-9 13/16	5⅞-6	3⅝-3⅞	5 7/16-5 9/16	17½-18	17¼-18	13½-14	12½-12½	6⅜-6¾	11¼-11⅝
Three months	9 5/16-9 7/16	10 1/16-10 3/16	9⅞-10	6-6⅛	[illegible]	5½-5⅞	19-19½	17¾-18¼	13-13½	12¼-12½	6 7/16-6¾	11-11½
Six months	9⅜-9½	10-10½	10-10¼	6 1/16-6 3/16	3¾-3⅞	5 13/16-6	17-17½	17⅞-18⅝	12⅞-13⅜	12¼-12½	6½-6⅝	11-11½
One year	9 9/16-9 11/16	10 7/16-10 9/16	10 7/16-10 9/16	6 3/16-6 5/16	4⅛-4¼	6 1/16-6 3/16	16½-17	18⅝-18⅞	12¼-12¾	12¼-12¾	6⅝-6¾	11¼-11¾

Asian $ (closing rates in Singapore): Short term 9 11/16-9 13/16 per cent; seven days 9¾-9⅞ per cent; one month 9 13/16-9 15/16 per cent; three months 10⅛-10¼ per cent; six months 10¼-10⅜ per cent; one year 10½-10⅝ per cent. Long-term Eurodollars two years 11⅛-11⅜ per cent; three years 11⅝-11⅞ per cent; four years 12¼-12½ per cent; five years 12½-12⅝ per cent nominal closing rates. Short-term rates are call for U.S. dollars and Japanese yen; two days' notice.

COMMODITIES AND AGRICULTURE

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1983/84 High	1983/84 Low
METALS					
Aluminium	£1100	—	£810/815	£1100	£810/815
Free Markets c.i.f.	$1500/1530	−40	$1325/355	$1655/685	$995/102
Antimony					
Free Market 99.6%	$2800/3850	+250	$2000/2150	$3820/2850	$1750/850
Copper-Cash High Grade	£976	−23	£1126.5	£1151.5	£907.75
3 months Do. Do.	£996.75	−21	£1159.25	£1177.25	£931.2
Cash Cathodes	£966	−20.5	£1101.5	£1115.5	£899
3 months Do.	£986	−20.25	£1135.5	£1145.5	£913.5
Gold Per Oz.	$396.375	+15.125	$463.5	$508.5	$365.125
Lead Cash	£275.5	−8.5	£300.75	£316	£257
3 months	£284.5	−7.75	£312.125	£328.125	£266.75
Nickel	£5026.64	—	£4384	£5025.64	£4384
Free Markets c.i.f. lb.	203/223c	−2	200/238c	235/265c	162/192c
Palladium per oz.	$159.00	−0.25	$113.00	‡	‡
Platinum per oz.	£278.75	+3.8	£287.75	£316.95	£244.60
Quicksilver (76 lbs)	$290/300	—	$340/350	$345/355	$257/28
Silver per oz.	655.60p	+30.15	868.60p	948.65p	560.25p
3 months per oz.	670.00p	+30.75	891.30p	973.10p	572.85p
Tin cash	£8397.5	−215	£8737.5	£9,290.5	£7592.5
3 months	£8532.5	−228	£8727.5	£9,281	£7402.5
Tungsten Ind.	$75.07	—	$84.55	$92.25	$72.17
Wolfram (22.04 lb.)	$75/79	—	$80/85	$90/92	$67/72
Zinc cash	£675/75	+4.75	£447	£731.5	£423.5
3 months	£670.75	+5	£461.75	£717.5	£436.25
Producers	$1,050	—	$750/800	$1,050	$750
GRAINS					
Barley Futures	£120.40z	−0.20	£120.40	£124.35	£109.35
Maize French	£147.00y	—	£155.00	£151.00	£141.00
WHEAT Futures	£123.90z	−0.55	£134.25	£138.85	£115.10
Hard Winter Wheat	‡	—	‡	‡	‡
SPICES					
Cloves	£8,500u	—	£6,500	£6,900	£5,400
Pepper, white	$3,350x	—	$1,800	$3,450	$1,700
" black	$2,100x	—	$1,350	$2,350	$1,200
OILS					
Coconut (Philippines)	$1160u	−60	$467.5	$1,280	$430
Groundnut 5%	‡	—	‡	$1,100	$455
Linseed, Crude	£397	—	$312	£536.30	£308
Palm Malayan	$670z	−30	$372.5	$810	$366
SEEDS					
Copra (Philippines)	$720w	−20	$315	$805	$296
Soyabeans (U.S.)	$299.5y	—	$236.5	$371.5	$253.5
OTHER COMMODITIES					
Cocoa Shipments §	£1,727	−53	£1,320	£2,124	£1,127
Cocoa Futures May	£1,631.5	−50	£1,289.5	£2,031	£1,108
Coffee Futures May	£1,928.5	−20	£1,635.5	£2,119.5	£1,548.5
Cotton Index	82.55c	+0.70	76.05c	92.35c	70.35c
Des. Coconut	£1090	—	£630	£1,090	£510
Gas Oil Fut. Mar.	$242.25	−2.25	$232	$277.5	$220
Jute LJA BWC grade	$505u	—	‡	‡	‡
Rubber kilo	82p	−1	71p	91p	50p
Sago Pearl	£290u	+8	£250	£298	£242
Sisal No. 3L	$630u	—	$655	$675	$620/630
Sugar (Raw)	£114uv	−1.5	£107	£193.5	£95
Tapioca No. 1	£305u	−7	£275	£320	£315
Tea (quality) kilo	305p	+5	149p	575p	157p
(low med) kilo	220p	+10	120p	270p	115p
Wooltops 64s Super	474p kilo	−4	405p kilo	—	—

‡ Unquoted. (y) March. (v) April. (z) May. (u) Feb-March. (x) Feb-April. (w) March-April. (g) Madagascar. § Ghana cocoa.

REVIEW OF THE WEEK

Uncertainty hits base metals market

BY OUR COMMODITIES STAFF

BASE METAL prices came under heavy selling pressure this week, as the markets entered a period of uncertainty about the future. Aluminium was most affected with prices fluctuating wildly yesterday. At one stage the three months dropped to £985 falling below the copper price for the first time in six months. However strong buying interest at lower levels helped the market rally to close at £1,014.75 a tonne, only £6 down on the day but still £43 lower than a week ago. Dealers said there was no fundamental developments to account for the sudden decline or recovery.

It appears that talk of increased production, and a build up of stocks on the New York Commodity Exchange (Comex) triggered off trade and speculative selling, which accelerated as chart points were breached.

Copper was also under pressure, depressed by selling in New York and lower U.S. producer prices. The higher grade three months quotation ended the week £21 down at £996.75 a a tonne, losing £9.5 yesterday.

Tin values came down heavily too, reflecting the firmer trend of sterling against the dollar. The standard grade three months price lost £228 to £8,522.5 a tonne.

Zinc was the only base metal to gain ground, although the market was under constant pressure. Prices were buoyed up by Centromin of Peru declaring force majeure on shipments of all metals with the exception of silver because of rail and road routes being blocked.

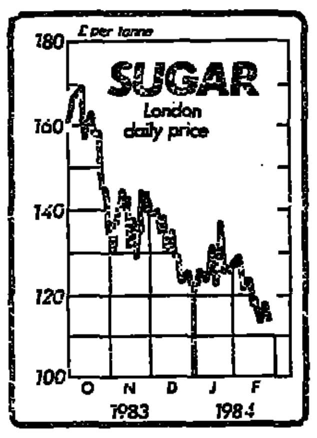
With Mineroperu also halting deliveries, no zinc is currently coming from Peru, the world's third biggest producer. However, Amax announced a tentative settlement of the strike at the zinc smelter at Sauget, Illinois.

Cocoa values continued to slide as improved indications for West African crops prompted a general reassessment of world supply/demand prospects for the 1983-84 season.

Dealers now expect world output to fall short of demand by no more than 40,000 tonnes and some think a small production surplus is possible.

The May position on the London futures market dipped to £1,670.50 a tonne before ending at £1,681.50 a tonne, down £50 on the week and £350 below the January peak.

World sugar values were erratic with the London daily raws price moving between a low of £112.50 a tonne and a high of £116 before ending the week £1.50 down on balance at £114 a tonne.



The weaker tone towards the end of the week was encouraged by an estimate by West German statistical organisation F. O. Licht that West European sugar beet plantings would rise 3.4 per cent in the 1984-85 season to 2.65m hectares.

BASE METALS

Amalgamated Metal Trading reported that in the morning cash Higher Grade traded at £975.50, three months £994, 95, 96, 95, 94.50, 95, 95.50, 96, 95.50, 96. Cathodes: Cash £965, three months £985. Kerb: Higher Grade: Three months £996, 96.50. Afternoon: Higher Grade: Three months £996, 96.50, 97, 98, 98.50, 98, 97.50, 97, 96.50. Kerb: Three months £997, 96.50, 96, 95.50, 95, 94.50, 94.50. Turnover: 17,075 tonnes. U.S. Producers: 68.50-72 cents per pound.

COPPER

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grde	£	£	£	£
Cash	975.5-6	−16.2	975.5-6.5	−8.25
3 months	995.5-6	−16.2	996.5-7	−9.5
Settlem't	976	−15.5	—	—
Cathodes				
Cash	965-6	−15.5	965.5-6.5	−8.5
3 months	985-6	−14.5	985.5-6.5	−9.5
Settlem't	966	−14	—	.....

TIN

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −†
High Grde	£	£	£	£
Cash	8430-5	−60	8420-30	−55
3 months	8555-65	−50	8540-50	−62.5
Settlem't	8435	−60	—	.....
Standard				
Cash	8415-20	−55	8395-400	−52.5
3 months	8535-40	−58	8520-5	−61
Settlem't	8420	−50	—	.....
Straits E.	$20.15	—	—	.....

Tin—Morning: Standard: Cash £8,405, 10, 20, 15, three months £8,560, 55, 50, 45, 40, 30, 35, 31, 35. High Grade: Cash £8,420. Kerb: Standard: Three months £8,536, 40, 45, 50. Afternoon: Standard: Three months £8,550, 45, 40, 30, 20, 30, 25. Kerb: Standard: Three months £8,530, 25. Turnover: 2,010 tonnes.

LEAD

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	274.75-5	+1.13	275-6	+.13
3 months	283.5-.75	−.13	284-5	−.62
Settlem't	275	+1	—	.....

Lead—Morning: Three months £284.50, 85, 84, 83.50, 83.75. Kerb: Three months £284. Afternoon: Three months £284, 84.50, 84. Kerb: £284, 83, 84, 84.50, 84.50. Turnover: 5,200 tonnes. U.S. Spot: 24-28 cents per pound.

ZINC

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Cash	667-9	+5.5	675.5-6	−4.75
3 months	673.5-4	−5.3	670.5-1	−5.25
Settlem't	679	−6	—	.....

Zinc—Morning: Three months £674, 73, 72.50. Kerb: Three months £674, 73, 71. Kerb: Three months £669, 68, 67, 68, 67. Turnover: 6,675 tonnes. U.S. Prime Western: 49.50-51.75 cents per pound.

ALUMINIUM

Aluminim	a.m. Official	+ or −	p.m. Unofficial	+ or −†
	£	£	£	£
Spot	971-2	−31.7	991-2	−4.5
3 months	994-5	−35.7	1014.5-5	−6

Aluminium—Morning: Three months £991, 92, 92.50, 93, 94, 95, 94, 94.50, 95, 94.50. Karb: Three months £994.50, 94, 95, 96. Afternoon: Three months £998, 99, 1,000, 02, 04, 04.50, 05, 05.50, 06, 07, 08, 10, 12, 13, 12.50, 13, 14, 14.50, 15. Kerb: Three months £1,015, 14, 13, 12, 11, 10, 09, 08, 07, 08, 08, 09, 08.50. Turnover: 31,350 tonnes.

NICKEL

NICKEL	a.m. Official	+ or −	p.m. Unofficial	+ or −†
Spot	3135-40	−25	3141.4	−16
3 months	3210-12	−27	3212-4	−23

Nickel — Morning: Three months £3,215, 20, 18, 17, 15. Kerb: Three months £3,217. Afternoon: Cash £3,141, 44, three months £3,225, 15, 10, 11, 15, 14. Kerb: Three months £3,205, 10. Turnover: 870 tonnes.

SILVER

Silver was fixed 10.7p an ounce lower for spot delivery in the London bullion market yesterday at 655.6p. U.S. cents equivalents of the fixing levels were: spot 982.4c, down 12.6c; three-month 985.7c, down 12.4c; six-month 1,011.3c, down 11.7c; and 12-month 1,054.8c, down 10.3c. The metal opened at 664-667p (975-978c), and closed at 653½-656½p (962-965c).

SILVER per troy oz.	Bullion fixing price	+ or −	L.M.E. p.m. Unoffic'l	+ or −
Spot	655.60p	−10.7	655.5p	−4
3 months	670.00p	−10.7	670.75p	−4.5
6 months	685.30p	−10.2	—	.....
12months	716.50p	−10.6	—	.....

LME—Silver (2,000 oz contract): cash 655.5p (659.5p); three months 670.75p (674.5p). Turnover: nil (10).

Turnover: 64 (128) lots of 10,000 ozs. Morning: large three months 670.0, 74.0, 73.5, 74.0, 73.7. Kerb: large three months 673.0. Afternoon: large cash 654.0; three months 669.0, 70.0, 70.5. Kerb: large three months 671.0, 72.0.

COCOA

COCOA	Yesterday's Close	+ or −	Business Done
	£ per tonne		
March	1670-73	−26.5	1713-57
May	1681-82	−25.0	1721-78
July	1676-79	−27.0	1719-76
Sept	1670-73	−29.0	1708-70
Dec	1663-64	−35.5	1696-64
March	1662-65	−38.0	1702-66
May	1655-65	−41.0	1685

Sales: 4,977 (2,558) lots of 10 tonnes. ICCO indicator prices (U.S. cents per pound). Daily price for Feb 23: [illegible] ([illegible]); Indicator average for Feb 24: 109.21 (109.76).

COFFEE

Sales: 2,315 (3,971) lots of 5 tonnes. ICO indicator prices (U.S. cents per pound) fob February 23: Comp. daily 1979 141.98 (141.67); 15-day average 140.75 (140.64).

COFFEE	Yest'day's Close	+ or −	Business Done
March	2058-60	−5.5	2061-50
May	1928-29	−7.0	1956-25
July	1857-59	−3.5	1862-51
Sept	1813-15	−4.0	1817-03
Nov	1781-85	−5.5	1787-78
January	1749-53	−3.5	1755-48
March	1716-19	−5.5	1720-13

GRAINS

LONDON GRAINS—Wheat: U.S. Dark Northern Spring No 1 14 per cent Feb 139, March 139.50, April/May 128.75 trans shipment East coast. English feed fob Feb 125, March 125.50 East Coast. Maize: French 1st half March 147 East Coast. Barley: English feed fob Feb 121.50, March 122.50. Rest unquoted.

Mnth	WHEAT Yesterd'ys close	+ or −	BARLEY Yest'rd'ys close	+ or −
Mar	121.40	−0.50	119.90	−0.30
May	123.90	−0.45	120.40	−0.10
July	125.95	−0.40	—	
Sept	108.90	−0.10	105.60	−0.20
Nov	111.45	−0.25	108.65	−0.15
Jan	114.35	−0.25	111.65	−0.15

HGCA — Locational ex-farm spot prices. Feed barley: N. East 118.10. The UK monetary coefficient for the week beginning Monday February 27 is expected to remain unchanged.

Business done — Wheat: March 121.70-1.30, May 124.10-3.75, July 126.00-5.75, Sept 108.90 only, Nov 111.55-1.50, Jan 114.35 only. Sales: 243 lots of 100 tonnes. Barley: March 119.90-9.75, May 120.50-20.30, Sept untraded, Nov 108.65 only, Jan untraded. Sales: 54 lots of 100 tonnes.

POTATOES

Higher Dutch futures inspired a rise in London prices which hit stop-loss levels before selling pressure forced the market lower. Weekend book-squaring trimmed the gains by the close, reports Coley and Harper.

Month	Yesterdy's close	Previous close	Business Done
	£ per tonne		
April	211.50	208.10	216.50-210.0
May	245.00	236.00	246.50-238.0
Nov	79.00	78.90	—
Feb	88.50	88.50	—
April	107.00	106.00	107.00-106.0

Sales: 1,643 (677) lots of 40 tonnes.

RUBBER

No. 1 R.S.S.	Yesterdy's close	Previous close	Business Done
	£ per tonne		
Apr.	810-840	822-835	—
May	827-832	—	—
Apl-Jne	827-830	832-837	834-830
Jly-Sept	858-859	864-865	864-855
Oct-Dec	874-875	881-885	—
Jan-Mar	889-894	895-904	—
Apr-Jne	910-915	914-925	—
Jly-Sept	929-940	930-945	—
Oct-Dec	931-975	945-977	—

INDICES

FINANCIAL TIMES

Feb. 23	Feb. 22	M'th ago	Y'ar ago
291.68	291.16	295.52	261.22

(Base: July 1 1952=100)

REUTERS

Feb. 24	Feb. 23	M'th ago	Y'ar ago
1951.5	1960.8	1995.7	1706.8

(Base: September 18 1931=100)

MOODY'S

Feb. 23	Feb. 22	M'th ago	Year ago
1053.4	1054.6	1044.5	1067.1

(Base: December 31 1931=100)

DOW JONES

Dow Jones	Feb. 23	Feb. 22	Month ago	Year ago
Spot	139.63	139.39	135.23	145.16
Fut's	143.07	143.38	137.60	148.25

(Base: September 18 1931=100)

The London physical market opened about unchanged, attracted little interest throughout the day and closed quiet and steadier, reports Lewis and Peat. The Kuala Lumpur March fob price for RSS No 1 was 265.5 (264.0) cents a kg and SMR 20 241.0 (240.0).

Sales: 31 (184) lots of 15 tonnes; nil (nil) lots of 5 tonnes.

Physical closing prices (buyers) spot 82.00p (same). April 84.00p (84.50p). May 85.00 (85.25p).

SOYABEAN MEAL

	Yestday's close	+ or −	Business Done
	£ per tonne		
April	151.00-53.00	−0.60	—
June	155.30-55.80	−0.25	156.00-55.00
August	156.30-55.80	−0.55	157.00-56.00
October	157.70-58.70	−0.55	—
Dec	159.90-20.00	−0.30	160.00-59.50
Feb	161.00-65.50	−1.00	—
April	162.50-66.50	−0.75	—

Sales: 78 (73) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar £114.00 ($167.50), down £4.00 a tonne for Feb-March-April shipment. White sugar $137.50, down $2.50.

Sales: No 4 2,213 (794); No 6 2,195 (2,124) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basic sugar was £220.00 (£224.50) a tonne for export.

No. 4 Contract	Yestday's close	Previous close	Business done
	£ per tonne		
Mar	117.00-17.25	119.50-19.75	120.50-14.00
May	124.30-24.55	126.00-26.25	127.00-21.00

No. 6 Contract	$ per tonne		
Mar	173.50	175.60-76.00	173.60-75.00
May	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]
Mar	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]

LONDON OIL

CRUDE OIL FUTURES

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per brl		
Mar	—	—	—
Apr	30.25	+0.05	30.40-30.25
May	29.85	+0.25	—
June	30.05	+0.60	—
July	29.79	+0.44	—
Aug	29.79	+0.44	—

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)		
Arabian Light	28.45-28.55	—
Iranian Light	27.60-27.70	+0.05
Arab Heavy	26.55-26.70	—
North Sea (Forties)	29.60-29.65	+0.05
North Sea (Brent)	29.65-29.85	+0.01
African(BonnyLi'ht)	29.50-29.80	−0.05
PRODUCTS—North West Europe ($ per tonne)		
Premium gasoline	275-279	+2
Gas Oil	249-254	—
Heavy fuel oil	171-177	+0.5

GAS OIL FUTURES

The gas oil market opened about $1.00 higher, moving quickly to the highs after a strong New York close. Prices dropped back and, like physicals, traded quietly throughout the day, reports Premier Man.

Turnover, 1,604 (1,790) lots of 100 tonnes.

Month	Yest'day's close	+ or −	Business Done
	$ U.S. per tonne		
Feb.	243.50	—	243.50
Mar.	242.25	+0.50	243.75-41.25
April	240.75	+0.75	241.25-40.25
May	238.25	+1.00	239.25-38.00
June	237.50	+1.00	238.50-37.00
July	238.25	+0.25	239.75-38.25
Aug.	240.25	+1.25	240.50-40.25
Sept	243.00	+3.50	243.00-41.25
Oct.	245.00	+4.50	—

GOLD MARKETS

Gold fell $1¾ an ounce from Thursday's close in the London bullion market yesterday to finish at $396-396½. The metal opened at $398¾-399¼, which proved to be the day's high, and reached a low of $394½-395 at one point.

LONDON FUTURES

Month	Yest'days close	+ or −	Business Done
	$ per troy ounce		
Feb.	—	—	—
April	399.70-00.00	−1.40	402.50-99.50
June	405.20-05.40	−1.55	408.40-07.00
Aug	413.50-14.00	−0.90	415.90-13.80
Oct.	420.00-21.00	−0.35	—
Dec	426.50-28.00	−1.00	428.50

Turnover: 477 lots of 100 troy ounces.

	Feb. 24		Feb. 23	
Gold Bullion (fine ounce)				
Close	$395-396½	(£269-269½)	$397¾-398½	(£272-272¼)
Opening	$398¾-399½	(£271½-272)	$402-403	(£276½-277)
Morning fixing	$396.10	(£268.998)	$399.75	(£275.859)
Afternoon fixing	$395.75	(£269.768)	$398.25	(£272.122)

Gold and Platinum Coins Feb. 24					
Krugrnd	$408½-409½	(£278-278½)	King Sov	$94½-96	(£64½-65½)
½ Krug.	$210½-211½	(£143¼-143¾)	Victoria Sov	$94½-96	(£64½-65½)
¼ Krug.	$107-108	(£72¾-73¼)	French 20s	$78-80	(£53-54½)
1/10 Krug.	$43½-44½	(£29½-30)	50 Pesos Mex	$489-491	(£332½-334)
Mapleleaf	$420¾-421¼	(£286-286½)	100 Cor Aust	$387-391	[illegible]
New Sov.	$93½-94½	(£63½-64¼)	$20 Eagles	$560-570	(£380-390)
½ New Sov.	$55-57	(£37½-38½)	Noble Plat	$413-417½	(£280½-283½)

AMERICAN MARKETS

NEW YORK, February 24.

Gold and silver values came under light selling pressure on profit-taking ahead of the weekend and on reports that Iran had softened its threats to block the Straits of Hormuz, reports Heinold Commodities. Copper was firm on buying linked to the turn around in stock values and active arbitrage. Aluminium recovered part of Thursday's sharp losses as trade support emerged prompting short-covering. Sugar was steady on bargain hunting in very light trading. Cocoa values declined on long liquidation following reports of rain in Brazilian growing areas. Coffee continued to attract speculative support from the lack of delivery notices but managed to finish only slightly higher. Continued reports of tight nearby supplies of deliverable quality and good consumption helped cotton to rally sharply. Heating oil advanced sharply on general short-covering ahead of the weekend as traders remained apprehensive about the Iran-Iraq war; a return to below normal temperatures forecast for next week also added to the strength in the market. Soyabeans closed mixed and grains higher on general support derived from stronger currency markets; commission houses, commercials, and professionals were steady buyers in old crops.

NEW YORK

ALUMINIUM 40,000 lbs; cents/lbs

	Close	High	Low	Prev
Mar	69.30	70.00	66.10	67.70
April	70.25	—	—	68.15
May	70.70	71.00	67.20	68.60
July	71.80	70.70	67.80	69.65
Sept	72.80	71.50	69.90	70.70
Dec	74.20	—	—	72.10
Jan	74.80	—	—	72.60
Mar	75.20	—	—	73.60
May	76.20	—	—	74.60
July	77.20	—	—	75.60

COCOA 10 tonnes; $/tonnes

	Close	High	Low	Prev
May	2346	2360	2325	2374
July	2332	2343	2313	2361
Sept	2316	2339	2318	2345
Dec	2212	2313	2300	2330
Mar	2307	2320	2305	2325
May	2302	—	—	2320
July	2297	—	—	2315

COFFEE "C" 37,000 lb; cents/lb

	Close	High	Low	Prev
Mar	147.83	48.15	46.50	47.71
May	143.33	43.48	41.65	42.53
July	137.90	37.95	36.70	37.11
Sept	134.25	34.45	33.60	33.75
Dec	131.15	31.25	30.80	31.22
Mar	128.63	28.50	28.25	27.83
May	126.00	—	—	24.63
July	124.35	24.35	24.00	24.00

COPPER 25,000 lbs. cents/lb

	Close	High	Low	Prev
Feb	64.65	—	—	64.35
March	64.70	64.75	64.10	64.45
April	65.40	—	—	65.15
May	66.05	66.10	65.50	65.30
July	67.40	67.45	66.95	67.20
Sept	68.75	68.80	68.20	68.55
Dec	70.75	70.80	70.40	70.55
Jan	71.45	—	—	71.25
March	72.80	72.80	72.50	72.65
May	74.15	74.05	74.00	74.00

COTTON 50,000 lbs. cents/lb

	Close	High	Low	Prev
March	78.00	78.00	76.40	76.70
May	78.02	78.10	77.15	77.03
July	78.27	78.30	77.60	77.81
Oct	74.65	74.80	74.47	74.55
Dec	73.27	73.40	72.82	73.02
March	74.20	—	—	74.10
May	74.95	—	—	74.75
July	75.25	—	—	75.00

CRUDE OIL (LIGHT) 42,000 U.S. gallons, $/barrels

	Latest	High	Low	Prev
April	30.09	30.13	29.88	29.92
May	29.92	29.95	29.72	29.77
June	29.85	29.86	29.58	29.61
July	29.76	29.76	29.51	29.57
Aug	29.75	29.75	29.50	29.46
Sept	29.55	—	—	29.32
Oct	29.55	—	—	29.31
Nov	29.55	—	—	29.30
Dec	29.55	—	—	29.29
Jan	29.50	—	—	29.29

GOLD 100 troy oz; $/troy oz

	Close	High	Low	Prev
Feb	395.0	393.0	395.5	399.1
Mar	396.5	—	—	399.8
April	399.5	401.9	398.3	402.8
June	405.2	405.5	405.0	409.6
Aug	412.1	415.3	412.6	415.5
Oct	420.1	421.8	420.0	422.5
Dec	427.5	429.5	425.5	429.1
Feb	435.1	437.5	435.5	439.7
April	443.8	445.5	443.8	445.5
June	450.9	—	—	453.5
Aug	459.2	—	—	462.0
Oct	467.8	—	—	471.5
Dec	476.5	479.0	477.5	480.4

HEATING OIL 42,000 U.S. gallons, cents/U.S. gallons

	Latest	High	Low	Prev
March	78.00	78.20	77.00	77.32
April	76.95	77.45	75.75	76.02
May	75.95	76.55	75.35	75.48
June	75.70	76.20	75.10	75.30
July	76.35	76.45	75.60	75.70
Aug	76.85	76.65	76.50	75.80
Sept	76.50	—	—	76.80

ORANGE JUICE 15,000 lb; cents/lb

	Close	High	Low	Prev
Mar	165.15	65.70	64.00	64.70
May	163.20	63.25	62.00	62.75
July	162.35	62.40	61.70	61.60
Sept	161.20	61.90	61.00	61.20
Nov	158.30	58.50	58.20	59.50
Jan	155.10	55.00	54.30	54.75
Mar	155.10	54.70	54.50	54.75
May	155.10	—	—	54.75

PLATINUM 50 troy oz; $/troy oz

	Close	High	Low	Prev
Feb	402.0	—	—	402.6
April	404.0	407.0	400.7	404.3
July	410.6	413.0	407.5	410.8
Oct	417.4	419.5	415.0	417.6
Jan	424.4	424.2	423.0	424.6
April	431.4	431.2	431.2	431.6

SILVER 5,000 troy oz; cents/troy oz

	Close	High	Low	Prev
Feb	[illegible]	—	—	[illegible]
Mar	[illegible]	[illegible]	[illegible]	[illegible]
April	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Jan	[illegible]	—	—	[illegible]
Mar	[illegible]	1079.0	1070.0	[illegible]
May	[illegible]	—	—	102.5

SUGAR WORLD "11" 112,000 lbs, cents/lb

	Close	High	Low	Prev
March	6.65	6.77	6.58	6.70
May	7.06	7.12	6.95	7.03
July	7.42	7.47	7.32	7.38
Sept	7.68	7.73	7.61	7.68
Oct	7.87	7.89	7.79	7.81
Jan	8.38	8.40	8.32	8.30
March	8.87	8.37	8.81	8.73
May	9.13	9.15	9.12	9.11
July	9.40	9.50	9.50	9.40

CHICAGO

LIVE CATTLE 40,000 lbs, cents/lb

	Close	High	Low	Prev
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	[illegible]
Feb	[illegible]	[illegible]	[illegible]	[illegible]

LIVE HOGS 30,000 lbs, cents/lb

	Close	High	Low	Prev
April	[illegible]	[illegible]	[illegible]	[illegible]
June	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Aug	[illegible]	[illegible]	[illegible]	[illegible]
Oct	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	[illegible]	51.32
Feb	51.90	[illegible]	51.50	[illegible]
April	[illegible]	49.40	49.40	49.40

MAIZE 5,000 bu min, cents/56lb-bushel

	Close	High	Low	Prev
Mar	[illegible]	[illegible]	[illegible]	324.2
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	326.4	326.2
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	[illegible]	[illegible]	281.6	[illegible]
Mar	[illegible]	294.0	291.6	292.2
May	[illegible]	[illegible]	297.4	297.4

SOYABEANS 5,000 bu min; cents/60lb-bushel

	Close	High	Low	Prev
Mar	[illegible]	[illegible]	744.4	745.2
May	755.0	756.4	747.0	748.6
July	761.4	764.0	756.0	756.4
Aug	755.0	757.0	750.0	755.0
Sept	727.4	730.0	724.4	728.0
Nov	705.4	714.0	703.0	714.0
Jan	722.0	725.4	721.0	725.4
Mar	734.0	735.0	733.4	738.0
May	742.4	742.4	742.0	744.4

SOYABEAN MEAL 100 tons; $/ton

	Close	High	Low	Prev
Mar	191.4	191.8	189.8	190.8
May	155.0	195.5	133.7	194.8
July	200.0	200.0	197.0	197.6
Aug	200.5	200.5	197.5	198.0
Sept	198.0	197.3	196.0	196.0
Oct	194.5	195.0	193.0	194.0
Dec	196.0	196.5	194.0	194.4
Jan	197.0	198.5	196.0	195.8
Mar	203.6	—	—	197.7

SOYABEAN OIL 60,000 lbs, cents/lb

	Close	High	Low	Prev
March	28.12	28.60	27.85	28.27
May	28.20	28.82	27.90	28.37
July	28.10	28.60	27.87	28.22
Aug	27.40	27.35	27.25	27.45
Sept	26.50	26.90	26.10	26.45
Oct	25.25	25.75	25.15	25.50
Dec	24.35	25.40	24.30	25.03
Jan	24.85	25.35	24.35	25.05
March	25.25	25.60	25.25	25.25

WHEAT 5,000 bu min, cents/60 lb bushel

	Close	High	Low	Prev
Mar	[illegible]	[illegible]	[illegible]	[illegible]
May	[illegible]	[illegible]	[illegible]	[illegible]
July	[illegible]	[illegible]	[illegible]	[illegible]
Sept	[illegible]	[illegible]	[illegible]	[illegible]
Dec	342.2	342.2	340.4	341.0

SPOT PRICES—Chicago loose lard 27.00 (27.00) cents per pound. New York tin 573.0-82.0 (575.0-82.0) cents per pound.

Details of business done shown below have been taken with consent from *last Thursday's Stock Exchange Official List and should not be reproduced* without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the five previous days is given with the relevant date.

‡ Bargains at special prices. ◆ Bargains done the previous day. Δ Bargains done with non-member or executed in overseas markets.

I—J—K

ICL 6pcDb 1983-88 £82½◆. 6¼pcDb 1981-86 £90 (21/2)
IMI 5¼pcLn 2001-06 £50 (22/2) 7¼pc Ln 1986-91 £76 (22/2). 3pcLn 1985-90 £85¼ (17/2)
Ibstock Building Products 7¾pcDb 1985-90 £83¼ (20/2)
Illingworth, Morris 6½pcPf (£1) 43 (20/2)

Tarry (E. W.) 227 (21/2)
Tate Lyle 6½pcPf (£1) 56. 5½pcDb 80-85 £92¼. 7¼pcDb 89-94 £78½ (21/2) 6½pcLn 85-90 £77. 13pcLn 94-99 £148 50
Taylor Woodrow 7¼pcLn 87-90 £82¼ (20/2)
Thomson Organisation 4.72pc1stPf (£1) 62 3 ½ (22/2). 5.83pcPf (£1) 82 (22/2). 21.7pcPf 73. 3pc1stDb 64-94 £76¼

TR Trustees Corp 6½pcDb 1987-92 £74 (20/2)

Kennings Ests 8pcDb 1987-92 £85 (20/2)
Land Secs 6pcDb 1988-93 £73 (22/2). 7¼pcDb 1991-96 £74½ 5. 9pcDb 1996-2001 £86¼ (22/2) 8½pcLn 1992-97 £83½ 2. 10pcLn 1990-95 £255 6
Law Land 6¼pcDb 1989-94 £70
Lewis (John) 9½pcDb 1992-97 £86 (20/2)
London County Free. Leas. 6½pcDb 1986-95 £78
London Shop Prop Tst 8½pcLn 1987-97

Estates, General Invest 4.9pcPf (50p) 21 (17/2)
Estates Prop Invest 7½pcLn 1989-92 £77½
Euston Centre 10.4pcDb 1992-97 £91¼ (22/2)
Grainger Tst 11½pcDb 2024 £98½
Guildhall 5pcPf (£1) 44 (22/2)
Hales Prop Gp 261 3 5
Hammerson Prop Inv. Dev Corpn 785 8
Haslemere Est 9pcLn 2001-06 £127½ 3½. 9½pcLn 1990-95 £212 (20/2)
House Prop of London (50p) 197 200 (21/2)

New (10p) (Fp RC-19/3/84) 91
London & Continental Advert Hldgs (8p) 31½ 3
Mebon (10p) 105 7
Moray Firth Maltings (50p) 225
Morgan Comms (5p) 66½ ... (20/2). New (5p) (Fp LA-4/4/84) 74 5 6 7 8
New Court Natural Resources Wts to sub for Ord 7 (20/2)
Radio Clyde NV 69 70
Rivlin (J. D. & S.) Hldgs (5p) 70 1 3
Sangers Photographic New (10p) (Fp/AL-22/3/84) 25 ½ 6½
Synterials (10p) 85 (17/2)
Thorpac Gp (5p) 70 (22/2)
Unibond New (FP-7/3/84) 108
Utd Friendly Insurance B (10p) 285 (17/2)
Vain Pollen Internl (5p) 180. New (5p) (Fp LA-2/3/84) 178 9 80 2 5
Weibac (10p) 16
Xylex New (10p) (Fp/LA-9/3/84) 49 50 1 2

RULE 163 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

Aberfoyle 410
Accm Secs 350 5 6 (22/2)
Aetna Life Cas £20 (21/2)
Agnico-Eagle Mines 930 (20/2)
Algoma Cent Rlwy £11¼ (17/2)
Alliance Oil Devel 52½
Amerada Hess $19½ (22/2)
American Can Co US$46¼ (22/2)
American Electric Power £11⅛ (22/2)
American Home Prods US$49⅝ (20/2)
American Standard £18⅝ (21/2)
Ampol Ex 280 (21/2)
Ampol 105

Continued on Page 19

Insurances—continued

Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar 0707 142311

Pension Funds

EqPenFdAc	645.7	679.6	−3.8	—
Euro Fd Acc	53.2	123.4	−1.0	—
FixedPenAcc	430.6	433.2	−0.6	—
GtMnPnAcc	254.5	268.0		—
Intl Man Fd	253.5	255.8	−0.3	—
Jap Pen Fd	132.5	139.4	+1.1	—
AmPnFdAc	112.3	118.6	−2.1	—
Property	236.0	248.4		—
MolinPnAc	529.8	557.7	−1.7	—

Colonial Mutual Group
24 Ludgate Hill, EC4P 4BD. 01-248 9861

Capital Life Assurance

Key Inv Fd	—	127.95	....	—
Pacemaker Inv Fd	—	126.40	....	—
Equity Fd	109.36	115.64	....	—
Fxd Int Fd	105.65	111.21	....	—
Property Fd	[illegible]	105.44	....	—
Cash Fd	101.43	106.7	....	—
Managd Fd	111.37	117.43	....	—

Col Mut Life (Pension Annuities)

MdPnCapA B	99.30	104.54	....	—
MdPnlnvA B	99.37	104.62	....	—

Commercial Union Group
St Helens, 1 Undershaft, EC3. 01-283 7500

VarAnAcFb25	—	156.87	+1.01	—
VarAnnMar2	—	34.46	+0.09	—

Prime Series—Life

Managed	132.9	139.9	....	—
UK Equity	137.3	144.6	....	—
Int Equity	126.3	133.5	+0.3	—
Property	104.3	110.1	....	—
Fixed Int	112.8	116.6	−0.3	—
IndexLkdGt	83.4	92.2	−0.4	—
Cash	100.7	106.0	....	—

Prime Series—Pensions

Managed	97.2	104.2	....	—
UK Equity	99.1	103.6	−0.1	—
Int Equity	92.2	95.5	+0.2	—
Property	96.4	101.5		—

Offshore & Overseas—continued

Citibank (CI) Ltd "Citifunds"
Green St, St Helier. 0534-70334

U.S. $ Fd	$10.625	+0.002	—
£ Sterling Fd	£5.323	+0.001	—
SwFrancFd	SwFr20.259	+0.001	—
Jap Yen Fd	Y2074.151	+0.277	—
Deutsche Fd	DM20.511	+0.002	—
Managed Fd	$10.251	+0.001	—

"Citicare"

CiticarerdFeb15	9.225	....	—

Dunvest Ltd
PO Box 887, Grand Cayman, BWI.

NAV	$154.75	—

EBC Trust Company (Jersey) Ltd
1-3 Seale St, St Helier, Jersey. 0534-36331

International Income Fund

US$ Dp Sht A	$1.3303	+0.0002	8.03
Do Dist	$1.0016	+0.0002	8.03
Mxd Cur Sh't B	$1.1658	+0.0039	6.29
Do Dist	$0.9425	+0.0031	6.29
Eurbd Long Tm	$22.40	....	—

European Banking Traded Currency Fund*

Income	$10.21	10.527	+0.0021	—
Capital	$10.21	10.527	+0.0021	—

Sterling Prices indication only

Income	£6.96	7.18	−0.02	—
Capital	£6.96	7.18	−0.02	—

* Offer price incs 3% prelim charge.

Fidelity International
9 Bond St, St Helier, Jersey. 0534-71696

DllrSvgsA3(z)	$109.86	....	9.00
AmValCmPfA	100.50	....	3.00
Am Vals Cum	63.4	....	—

Prices at Feb 7.

Forbes Security Management Co
PO Box 887, Grand Cayman, BWI. London Agents 01-839 3013

Gold Inc	$9.59	$10.10xd	....	13.5
Gold App	$7.25	7.64	....	—
Dollar Inc	$8.23	8.54xd	....	15.3

Framlington Overseas Fund Mngt Ltd
PO Box 71, St Peter Port, Guernsey. 0481-26541

O'seas Gth	£0.506	0.532	....	4.00
O'seas Gth	$0.728	0.771	....	4.00

Frobisher Fund NV
PO Box 1735, Hamilton, Bermuda. 809-295 7447

NAVFeb13	$37.20	37.58	—

GRE International Invest Mngrs Ltd
PO Box 194, St Helier, Jersey. 0534-27441

Man Curr Fd	£10.40	−0.05	—

Global Asset Management Corpn.
PO Box 119, St Peter Port, Guernsey. 0481-28715

GAMWorldwide	$109.52	....	—
GAMerica	$101.51	....	—
FuturGAM	$93.67	....	—
GAM Tyche	$90.19	....	—
GAMusa	$89.43	....	—
GAM Park Av	$97.14	....	—
GAM Pacific	$105.46	....	—
GAM Arbitrage	$100.74	....	—

Money Market Trust Funds

Money Market Bank Accounts

هكذا صدر الأصل

Wickes draws up finance plan

By Our Financial Staff

WICKES COMPANIES, the U.S. building materials retailer, hopes to emerge from Chapter 11 bankruptcy proceedings in the autumn following agreement in principle with its creditors on a reorganisation plan.

Wickes had annual sales of $4bn and debts of $2bn when it sought court protection in 1982 in one of the largest U.S. corporate bankruptcies. Since then it has undergone a rapid reorganisation under Mr Sanford Sigoloff, Wickes' chairman.

The reorganisation plan settles nearly all the company's debt. About $1.25bn of remaining pre-Chapter 11 unsecured debt will be converted into cash, notes and shares that will represent 82.5 per cent of the reorganised company.

Present common stockholders will receive about 15 per cent of the outstanding shares of the reorganised company, plus warrants to buy an additional 3 per cent. Preferred shareholders will receive about 2.5 per cent of the outstanding common shares.

The plan has been approved by Wickes' two major creditor committees, and is subject to votes by creditors and shareholders. It must also be approved by the U.S. bankruptcy court.

George Weston ahead

Earnings of George Weston, holding company for the Weston family supermarket, food distribution and resource interests, increased from C$70.4m to C$78.6m (U.S.$ 62.9m) or from C$4.82 to C$5.56 a share in 1983, writes Robert Gibbens in Montreal.

Mesa Petroleum says Gulf bid to buy back its shares

BY WILLIAM HALL IN NEW YORK

GULF CORPORATION, the embattled U.S. oil major, is reported to have offered to buy back the shares of its dissident shareholder group led by Mesa Petroleum at $70 a share worth $1.5bn.

Details of the offer, which has been rejected, are contained in a filing with the Securities and Exchange Commission made by Mesa as part of its own $65 a share tender offer for 13.5m shares in Gulf, the fifth biggest U.S. oil company.

Gulf's directors were meeting yesterday to study Mesa's unsolicited offer for 8 per cent of Gulf's shares. The group already owns 13.2 per cent and plans to seek control of the company by appointing its own directors at the forthcoming annual meeting.

Mesa says it has rejected the $70 a share offer, although Gulf officials are denying that they have made such an offer. According to the Mesa-led investor group, Gulf's offer was part of a deal whereby Gulf also offered to buy another 20m to 30m shares from the rest of Gulf's shareholders. On this basis Gulf would have to spend between $2.9bn and $3.9bn in total to rid itself of its dissident shareholders.

Mesa has pledged that it will not do a separate deal with Gulf unless the offer is made to all Gulf shareholders.

Gulf shares were not traded for several hours yesterday because of an order imbalance. They closed on Thursday at $64 and opening indications yesterday were $63 to $65.

Mesa shares were heavily traded yesterday, rising $1 to $18 by noon. Gulf finally reopened at $64.

AT & T-Philips in bid to sell exchange to SIP

BY JAMES BUXTON IN ROME

AT&T-Philips Telecommunications, the joint venture between the U.S. and Dutch electronics companies, said in Rome yesterday that it was offering to sell a digital telephone exchange developed by AT&T to SIP, the Italian telephone utility.

The offer runs counter to current Italian plans for buying electronic public switching equipment, and will add to the present controversy in Italy over plans for international alliances by STET, the Italian state-controlled telecommunications holding company.

AT&T-Philips Telecommunications, which has just set up an Italian subsidiary, was established last summer to promote AT&T's interests in public switching in Europe. It said yesterday that it had already had preliminary contacts with SIP, a subsidiary of STET.

SIP's current plans for purchasing public switching equipment involve buying from a joint venture between STET's manufacturing subsidiary Italtel, the U.S. company GTE and Telettra, the telecommunications arm of Fiat.

Controversy is growing in Italy over whether STET should form a close alliance with the U.S. computer giant IBM.

The idea of an alliance between STET and IBM is strongly opposed by Olivetti, the private Italian data processing company, which regards IBM as its major competitor in Europe.

Bell offer for BHP to close on Monday

By Our Financial Staff

BELL RESOURCES, the Australian mining and energy investment group controlled by Mr Robert Holmes à Court, will close on Monday its tender offer for up to 16m shares of Broken Hill Proprietary, regardless of the outcome of BHP's legal challenge to the offer.

According to Bell Resources executives, some 7.5m BHP shares have already been tendered, and the figure is expected to rise to 8m by Monday.

Bell has undertaken not to register acceptances until the Victoria Supreme Court has ruled on BHP's attempt to block the offer on the grounds that it was not backed up by a prospectus. Judgment is also expected on Monday.

Isuzu plunges into red

By Our Financial Staff

ISUZU MOTORS, Japan's second largest truck manufacturer, in which General Motors of the U.S. has a 43 per cent stake, has incurred a consolidated net loss of Y5.13bn ($22m) for the year ended last October 31. This compares with a profit of Y3.64bn the previous year.

Before tax and extraordinary items, the loss was Y4.43bn, against a profit of Y3.88bn, while the loss per share of Y6.75 contrasted with a profit per share of Y4.79 the previous year.

Sales last year gained 0.6 per cent to Y754.2bn from Y749.35bn, reflecting a sharp drop in parent company sales, especially of trucks.

Isuzu has sought in recent years to step up its production of passenger cars. It has been selling its Asaka compact range in the domestic market since the spring of last year, while its main export hopes have been pinned on the R Car, designed for GM to import at an eventual rate of 200,000 a year into the U.S. A new plant to build the R Car has been built in Hokkaido, northernmost of the Japanese islands.

However, the extension of "voluntary" limits on Japanese car exports to the U.S. has restricted GM to taking only up to 50,000 R Cars this year. In order to help ease the resulting financial strain on Isuzu, GM last month agreed to convert into equity $200m in convertible bonds used to finance the R Car venture. This step raised GM's stake in Isuzu from 34 to 43 per cent.

Alfa Laval increases profits and payout

BY DAVID BROWN IN STOCKHOLM

ALFA LAVAL, the Swedish farm equipment and process engineering group, yesterday reported profits before taxes, extraordinary income and allocations up 27 per cent to SKr 803m ($101.6m).

Costs rose to SKr 8.3bn, and net financial costs doubled to SKr 50m, due mainly to foreign exchange fluctuations. Earnings per share grew from SKr 22.7 to SKr 27.3, and the group is recommending an increase in the dividend from SKr 7.5 to SKr 9 per share.

The improvement in profits is attributed to higher net sales and other operating income. These rose 19 per cent to SKr 9.35bn against SKr 7.83bn a year earlier, but the figure includes a large turnkey dairy project in Saudi Arabia. The order backlog remained unchanged at SKr 2.9bn.

Mr Harry Faulkner, managing director, said the result was better than expected. However, he warned that the effects of last year's devaluation of the Swedish krone should not be ignored.

He predicted a "certain improvement" next year depending on brighter markets for the industrial and "other companies" divisions. Alfa-Laval has a particular interest in further U.S. acquisitions, he said.

Mixed fortunes for two Japanese drug companies

BY OUR FINANCIAL STAFF

CONTRASTING fortunes have been reported by two of Japan's leading pharmaceutical companies for the year to December 31. Green Cross Corporation suffered its first fall in profits at parent company level since its formation in 1950, with net earnings totalling Y4.57bn ($19.6m), or 25.3 per cent less than those for 1982. Yamanouchi Pharmaceutical, on the other hand, increased its after-tax income by 8 per cent to Y6.77bn ($29m), while its pre-tax profits were up 5.4 per cent to Y15.47bn.

Sales at Green Cross rose 5.1 per cent to Y84.49bn ($362m), compared with the gain of 10.9 per cent to Y104.8bn ($450m) at Yamanouchi.

Green Cross attributes its setback to fierce competition in the domestic drug market. The decline comes after a rise of 8.8 per cent to Y5.30bn in parent company net earnings the previous year a gain which was, however, accompanied by a fall of 6.8 per cent to Y5.68bn on a consolidated basis.

The company expects parent level net profits to fall a further 12.5 per cent in the current year, to Y4bn, on sales broadly unchanged, at Y85bn.

Yamanouchi, which has marked its 60th anniversary with a dividend of Y8.50 a share, against the Y7.50 declared for 1982 and forecast for 1984, also expects its net earnings to fall this year, by 7 per cent to Y6.3bn, on sales up 2.1 per cent to Y107bn.

Lennings to be WestLB consultant

By John Davies in Frankfurt

WESTDEUTSCHE Landesbank (WestLB), West Germany's third largest bank, has engaged Dr Manfred Lennings as a consultant on industrial investments.

Dr Lennings left his post as chief executive of Gutehoffnungshütte (GHH), the engineering group, late last year after losing a power struggle over policy. He had built a reputation as one of the country's leading industrial managers during his eight years at GHH.

WestLB said yesterday that Dr Lennings would operate under a contract with the bank from March 1. Other West German banks have similar contracts with outside consultants.

WestLB's present industrial holdings include stakes in Preussag, the metals and energy group, and Gildemeister, the machine tool maker.

The bank, the largest of West Germany's regional Landesbanks, is owned by the state government, communal authorities and savings banks in North Rhine-Westphalia.

Bayer, the West German chemicals company, said it has recorded a considerable increase in 1983 profits which would allow it to raise its dividend from the DM 4 a share paid for 1982. Group net profits fell to DM 64m ($24.2m) in 1982, from DM 517m in 1981.

Bayer said the improvement would enable it to put a substantial sum into parent company and group reserves.

Meanwhile, the company is issuing DM 300m domestic bond with share warrants. The 10-year non-callable bond carries a 3¼ per cent coupon.

AUTHORISED UNIT TRUSTS

FT UNIT TRUST INFORMATION SERVICE

INSURANCES

MARKET REPORT

Building Societies' tax treatment change brings sharp falls of £2 in low-coupon short gilts

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Feb 13	Feb 23	Feb 24	Mar 5
Feb 27	Mar 8	Mar 9	Mar 19
Mar 12	Mar 22	Mar 23	Apr 2

* "New-time" dealings may take place from 9.30 am two business days earlier.

The Inland Revenue's decision to treat gains from the realisation of Gilt-edged and other similar stock as part of Building Societies trading profits and therefore subject to the full rate of Corporation tax exerted extreme pressure on short-dated low-coupon Government stocks yesterday.

The new ruling, which became effective from midnight on Thursday, caused confusion late that evening with Gilt-edged turnover running into hundreds of millions. Building Societies discarded huge amounts of low-coupon stock in order to salvage tax-exempt gains and some issues were reportedly offered at extremely low rates. Pension fund and other institutional operators mopped up the bulk of the selling which enabled some Building Societies to re-invest the proceeds in high-coupon Gilts of a slightly longer life.

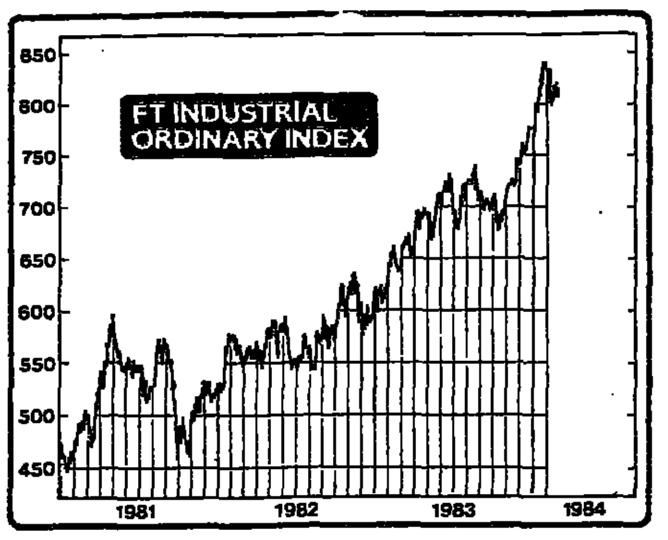
A highly tense Gilt-edged market began trading yesterday with low-coupon shorts generally around a full point lower and remaining Gilts anything from ½ to ¼ down on Thursday's 3.30 pm levels. Trade soon became heavy again as nervous holders of low-coupon Gilts sold out, although volume overall failed to match the previous evening's level. Interest slowly subsided but the market remained unsettled and low-coupon stocks eventually closed two points down at the day's lowest. Other Gilts rallied from their opening prices, only to react later and also settle at the session's worst.

Conversely, equities ended the week and the Account on a brighter note. Confidence was restored by a favourable Press on ICI's preliminary results and the chairman's confident profit projection for the current year. Sentiment was also aided by a fairly optimistic NIESR survey and hopes that Wall Street could be ready to stage an ovedue rally.

Demand for leading shares was very selective. ICI at 602p retrieved 12 of the previous day's fall of 16, while Beecham jumped 23 to 315p in belated response to news of the group's acquisition of a controlling interest in Zambeletti, the fifth largest Italian drug company.

London Brick flared up late, surging 6 to 167p, after 170p, to stand 2 above Hanson Trust's bid terms following heavy support by broker's. Rowe and Pitman: market rumours suggested that either Charter Consolidated or RTZ were preparing a counter bid. Strong of late on talk of an overseas bid, TI were little moved by news that the chairman has had talks with AB Electrolux about possible common interests in the field of domestic appliances.

The Ft Industrial Ordinary share index, after opening with a modest gain of 1.6, slowly extended the rise to 3.1 by 3 pm. On more favourable indications from Wall Street yesterday and on demand without penalty for the trading Account starting on Monday it rose swiftly late to close 8.9 higher at the day's best of 815.8. The new FTSE 100-share index, a shade easier around lunchtime, recovered to close 5.2 up at the day's best of 1,036.9.



Life Insurances down

As holders of substantial gilt-edged portfolios, Life Insurances reacted nervously to the Inland Revenue's changed treatment of Building Societies' capital profits but closed above the day's lowest levels. Sun Life closed with a fall of 8 at 632p, after 630p, while Pearl slipped 5 to 855p, after 850p. Hambro Life cheapened 4 to 468p as did London and Manchester, to 512p, while Equity and Law closed only a couple of pence easier at 820p, after 815p. Elsewhere, Lloyd's Brokers regained composure after Thursday's weakness on reports of an unsuccesful placing of C. E. Heath shares. The latter rallied 6 to 326p, but the sector's feature was Hogg Robinson, which jumped 8 to 172p on revived takeover hopes. Derek Bryant advanced 11 to 188p in response to good preliminary results.

The major clearing banks shrugged off revived Budget tax fears and moved forward on modest buying ahead of the dividend season, which starts with Barclays on March 5. The latter firmed 7 to 540p and NatWest closed a further 7 better at 740p.

Aberfoyle Plantations continued to attract support in the wake of the reconstruction and rose 5 more to a peak of 30p.

Leading Breweries drifted easier, although actual selling was light. Allied-Lyons eased 4 to 146p following the purchase of Booker McConnell's wine and spirit operations; the latter, recently the subject of persistent takeover speculation, dipped to 110p initially, but later rallied to close 3 up on balance at 114p.

Apart from late activity in London Brick, leading Buildings traded quietly and closed with small irregular movements. Blue Circle drew occasional buying interest and firmed 5 to 420p and RMC hardened a couple of pence to 421p. Barratt Developments on the other hand, encountered fresh selling and shed 4 to 166p for a fall on the week of 16; the interim results are due on March 13. Marchwiel slipped 8 to 222p on End-Account selling, but Ward Holdings continued to reflect the excellent preliminary figures and rose 5 for a two-day gain of 15 to 97p. Tilbury Group found support and added 4 to 100p and AMEC improved 3 to 213p. Fresh speculative interest left Trent Holdings 4 dearer at 74p. Helical Bar, where an accountant's investigation has revealed that more than £150,000 has been misappropriated from the company, recovered 10 to 47p in a restricted market.

ICI continued to dominate proceedings in Chemicals, but occasional support was also forthcoming for certain secondary issues. British Benzol attracted revived speculative demand and put on 2½ to 16p, while Croda International added a couple of pence to 112p. Laporte closed without alteration at 363p, after 365p. Brent Chemicals eased 2 to 90p. Elsewhere, Amersham International improved a penny to 235p.

Stores better late

Stores were featured by double-figure gains in Habitat Mothercare, which responded to persistent demand and advanced 12 to a new peak of 304p, and in Woolworth; the latter attracted fresh support in a narrow market and closed 13 dearer at 378p. Other leading Retailers marked time for most of the session, but came in for steady support after the official close to finish a shade firmer for choice. British Home, unsettled of late by rumours of an impending adverse circular, eased to 202p before rallying to 207p for a net gain of 3. Jewellers James Walker also attracted late demand on revived hopes of bid developments soon and rose 8 to 154p with the non-voting shares a similar amount up at 124p. Speculators also displayed renewed enthusiasm for Sumrie Clothes, 10 up at 152p, and for Selincourt, a penny better at 15½p, but Mellins encountered scattered profit-taking and shed 4 to 66p.

Comment on the quarterly figures stimulated buying of Plessey, which rallied smartly to close 9 better at 215p. Other leading Electricals were also inclined firmer with GEC, 177p, and Racal, 212p, both 3 harder. Elsewhere, favourable Press mention prompted a gain of 8 to 156p in Electro-Protective and a rise of a couple of pence in Standard Telephone and Cables at 294p. Buyers showed interest in NEI, 4 up at 90p and Electronic Machine, 2 better at 38p following the chairman's statement at the annual meeting. Sound Diffusion rose 8 to 163p on revived demand, but United Scientific contrasted with a fall of 10 to a 1983-84 low of 240p. Unlisted securities were noteworthy for a rise of 20 to 505p in CASE.

Apart from a brief flurry of activity in TI following the Electrolux statement, leading Engineers passed a relatively quiet trading session. Hawker, however, recorded a gain of 14 to 400p helped by late support. Secondary issues fared little better in the way of activity. Among the occasional movements, Davy Corporation rallied 4 to 68p. Linread edged up 3 further to 52p and IMI closed 1½ dearer at 75½p, the latter's preliminary figures are due on March 12. Stothert and Pitt held at 150p after the interm figures.

Foods passed another subdued trading session, but one or two leading issues were inclined harder in the late trade. Tate and Lyle closed 3 dearer at 383p, while Cadbury Schweppes, preliminary results due on March 8, added a couple of pence to 126p. Pyke Holdings firmed 5 to a 1983-84 peak of 205p following a circular from brokers Laurie, Millbank.

Interest in recently buoyant Hotels waned and most gave ground on end-Account considerations. Norfolk Capital slipped a penny to 68p; Kennedy Brookes, which recently sold its 7 per cent stake in Norfolk to an unnamed buyer, eased a couple of pence to 223p; the latter's preliminary results are due on March 1. Stakis, which still holds a 6 per cent stake in Norfolk, lost the turn to 109p. Strikes Restaurants, quoted in the Unlisted Securities Market, firmed 5 to 73p.

Beecham feature

Indications of a worthwhile rally developing on Wall Street gave sentiment in miscellaneous industrial leaders a late boost. Beecham featured with a rise of 23 to 315p as the market assessed the Zambeletti acquisition favourably. BTR improved 12 to 432p and Glaxo 7 to 745p, while more modest gains of 3 were achieved by Bowater, 260p, and BOC, 282p. Late demand lifted Pilkington Bros 18 to 291p and Hunting Associated 10 to 195p. Revived buying on bid hopes prompted a rise of 6 to 136p in Evode, while Cope Allman edged up 3 to 90p ahead of Wednesday's interim figures. Still reflecting rumours of an assets injection, Armour Trust revived smartly after the previous day's bout of profit-taking and closed 4 up at 37½p. Redfearn Glass were again wanted at 107p, up 7, but further end-Account profit-taking caused a fall of 5 to 267p in BET Deferred. Red Executive, up 3 more at 1983-84 peak of 110p, continued to benefit from recent preliminary figures, while demand in a limited market lifted Hanover Investments 15 to 155p.

Among Leisure issues, GRA put on 4½ to 65p on hopes concerning the recently announced link-up with Marchwell and Newarthill. Samuelson Group attracted occasional interest in a limited market and advanced 10 to 350p, while Piccadilly Theatres moved up 16 to 135p in similar circumstances. Country buying lifted Grampian TV A 7 to 73p. Aspinall Holdings encountered profit-taking and slipped 6 to 142p.

BPMA continued to benefit from the bumper mid-term figures and firmed 3 for a two-day gain of 19 at 130p.

Buyers concentrated on quality stocks in the Property sector. Land Securities and MEPC both rose 7 apiece to the common price of 269p, while Great Portland Estates firmed 4 to 152p and British Land added 2½ at 118½p. Hammerson A hardened 5 to 790p and Haslemere Estates a couple of pence to 488p. Elsewhere, Amalgamated Estates attracted a brisk business and touched 15½p before closing a net 2 dearer at 15p. United Real, which reported excellent half-time figures on Tuesday, closed without alteration at 470p but retained a gain on the week of 30. Grainger Trust moved up 10 to 270p.

Company trading statements provided some interest among otherwise idle Textiles. Don Brothers Buist touched 90p before closing a net 6 up at 88p on the more-than-doubled interim profits, while the first-half recovery left Lister a penny dearer at 52p.

Rumours that Iran does not intend to close the Strait of Hormuz unless its own shipping is threatened prompted an initial downturn in leading oils. Selling pressure was by no means heavy, but quotations drifted back until the early afternoon when "cheap" buying encouraged a modest recovery. Consequently, closing levels were only a fraction easier on balance. BP ended the day unaltered at 425p, after 421p, while Shell closed only 2 off at 628p, after 623p, and LASMO 3 down at 312p, after 306p. Meanwhile, the recently beleaguered Irish issues staged a further strong rally on rumours that the technical problems in the well currently being drilled off the south east coast of the Irish Republic have been overcome. Atlantic Resources, responding to "new-time" buying, rose 50 to 505p, while Aran Energy jumped 5 to 67p. Eglinton moved up 10 to 335p and Bryson 15 to 265p.

Plantations again highlighted *Hidong* which continued to attract Far-Eastern support based on merger rumours and touched 150p before settling 20 better on the day and 58 up on the week at 143p. Inch Kenneth reacted afresh to profit-taking and closed 10 down at 610p, but retained a five-day advance of 100.

Profit taking in Golds

The first decline in the bullion price for five days encouraged a predictable wave of profit-taking throughout mining markets and especially in South African Golds.

The metal price dipped to around $395 prior to rallying to close a net $1.75 easier at $396.375 although retaining a week's gain of $13.125.

End-Account profit-taking soon became apparent in the Gold sharemarket and prices retreated throughout the session before steadying in the after-hours trade when a late decline in sterling against the dollar encouraged light support from U.S. sources.

However, the late rally failed to prevent the Gold Mines index dropping 14.4 to 656.6, leaving this measure with a week's gain of around 50 points.

London Financials were little changed but attracted considerable attention in after-hours trading following widespread rumours that Charter Consolidated or Gold Fields were responsible for the "tea-time" raid on London Brick. The rumours had little impact on either company's shares with Charter closing 3 cheaper at 235p and Gold Fields finally 2 off at 605p. The latter's interim figures are scheduled for March 6.

RTZ, also regarded as a likely bidder for London Brick, managed a gain of 3 at 663p.

Traded Option operators continued to show enthusiasm for ICI positions which attracted 745 calls in the wake of the preliminary results; the April 600's again proved popular, attracting 282 trades and rising 7 to 19p. Substantial interest was also directed towards Beecham which recorded 465 calls, 296 in the March 300's which closed 11 up at 20p. A lively two-way business developed in Imperial Group with 241 calls and 379 puts transacted. Total contracts struck yesterday amounted to 4,236, and the week's daily average to 4,053.

FINANCIAL TIMES STOCK INDICES

	Feb. 24	Feb. 23	Feb. 22	Feb. 21	Feb. 20	Feb. 17	year ago
Government Secs	82.59	82.98	82.95	82.98	82.79	82.79	78.94
Fixed Interest	86.80	86.99	87.04	87.08	87.05	87.05	80.51
Industrial Ord.	815.8	806.9	816.4	819.3	812.6	816.2	639.2
Gold Mines	656.6	671.0	658.2	632.4	616.9	606.7	626.7
Ord. Div. Yield	4.57	4.63	4.50	4.49	4.53	4.51	5.08
Earnings, Yld.% (full)	9.79	9.53	9.41	9.39	9.46	9.43	10.83
P/E Ratio (net) (*)	13.36	12.84	13.0	13.03	12.93	12.98	11.12
Total bargains	28,040	22,660	22,720	20,532	23,164	22,529	23,847
Equity turnover £m.	—	300.50	279.85	258.41	204.11	267.22	255.65
Equity bargains	—	21,846	19,023	18,687	19,918	18,137	20,045
Shares traded (ml)	—	178.3	151.2	145.8	132.4	174.6	1343.3

10 am 808.5. 11 am 809 1. Noon 806.7. 1 pm 806 7. 2 pm 809 1. 3 pm 810 0.

Basis 100 Govt. Secs. 8/1/58. Fixed Int. 1928. Industrial 1/7/35. Gold Mines 12/1/58. SE Activity 1974.

Latest Index 01-246 8026.

* Nil = 11.64.

HIGHS AND LOWS

	1983/84 High	1983/84 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	83.77 (9/1/84)	77.00 (24/1/83)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	87.47 (30/1/84)	79.03 (1/2/83)	150.4 (28/11/47)	50.53 (31/1/75)
Ind. Ord.	840.5 (25/1/84)	598.4 (12/1/83)	840.5 (25/1/84)	49.4 (26/6/40)
Gold Mines	734.7 (15/2/83)	444.6 (1/11/83)	734.7 (15/2/83)	43.5 (26/10/71)

S.E. ACTIVITY

	Feb. 23	Feb. 22
—Daily		
Gilt Edged Bargains	150.3	159.0
Equities Bargains	141.5	123.3
Value	607.4	565.5
5-day Average		
Gilt Edged Bargains	159.8	159.8
Equities Bargains	126.5	121.5
Value	529.6	494.1

LEADERS AND LAGGARDS

Percentage changes since December 30, 1983, based on Thursday, February 23, 1984.

Office Equipment	+25.06	500-Share Index	+ 4.13
Discount Houses	+18.81	All-Share Index	+ 4.12
Gold Mines Index	+16.55	Financial Group	+ 3.34
Overseas Traders	+16.40	Other Industrial Materials	+ 3.23
Newspaper, Publishing	+14.86	Industrial Group	+ 3.12
Mining Finance	+14.29	Electricals	+ 2.94
Metals and Metal Forming	+12.06	Merchant Banks	+ 2.76
Contracting, Construction	+10.89	Consumer Group	+ 2.70
Packaging and Paper	+10.75	Other Groups	+ 2.11
Mechanical Engineering	+ 9.95	Investment Trusts	+ 1.87
Banks	+ 9.32	Insurance (Life)	+ 1.73
Motors	+ 9.20	Tobaccos	+ 1.14
Textiles	+ 8.82	Other Consumer	+ 1.11
Oils	+ 8.79	Insurance (Composite)	+ 0.47
Building Materials	+ 7.26	Property	+ 0.15
Shipping and Transport	+ 6.98	Food Retailing	− 0.09
Brewers and Distillers	+ 5.57	Health and H'sehold Products	− 0.11
Leisure	+ 5.03	Stores	− 0.45
Food Manufacturing	+ 4.41	Electronics	− 1.05
Capital Goods	+ 4.29	Insurance Brokers	− 3.71
		Chemicals	− 5.21

NEW HIGHS AND LOWS FOR 1983/84

NEW HIGHS (37)

CORPORATION LOANS (1)
Leeds 13½pc 2006

AMERICANS (1)
Gulf Corp.

BANKS (1)
Smith St. Aubyn

BREWERS (1)
Border Breweries

BUILDINGS (3)
Heywood Williams; Ward Hldgs.; London Brick; Do. Defd.; McCarthy & Stone

STORES (2)
Habitat Mothercare; Woolworth

ELECTRICALS (4)
CASE; MMT Computing; Microsystems; Sound Diffusion

ENGINEERING (3)
Aurora Sec. Cnv. Cum. Red. Pref.

FOODS (2)
Dee Corp.; Pyke

INDUSTRIALS (13)
Attwoods; Bestwood; Canning (W.); Cope Allman; Evode; Extel; Hartons; Pilkington Bros.

INSURANCE (1)
Bryant (Derek)

LEISURE (2)
Adam Leisure; Grampian TV A

MOTORS (1)
Hurst (Charles)

NEWSPAPERS (3)
Collins (William); Do. A; BPM A

PROPERTY (6)
British Land; Capital & Counties; Grainger Trust; Laing Properties; Priest Marians; Rush & Tompkins

SHIPPING (1)
Fisher (J.)

TRUSTS (5)
Cambrian & Gen.

OILS (1)
Monarch Pet.

OVERSEAS TRADERS (1)
R.E.A. Hldgs.

PLANTATIONS (1)
Anglo-Indonesian

NEW LOWS (17)

BRITISH FUNDS (3)
Treas. 3pc 1990; Treas. 2½pc 2020

AMERICANS (7)
[illegible]

CANADIANS (1)
Talcorp

ELECTRICALS (1)
United Scientific

INDUSTRIALS (4)
Securicor; Do. A N-V; Security Services; Do. A N-V

OILS (1)
Lon. Amer. Energy

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section

	Equity groups & sub-sections	Fri Feb 24 1984 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Thur Feb 23 Index No.	Wed Feb 22 Index No.	Tues Feb 21 Index No.	Mon Feb 20 Index No.	Year ago (approx.) Index No.	1983-84 High	1983-84 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (205)	491.69	+1.0	8.70	3.67	14.84	486.82	493.20	495.00	490.95	436.11	498.27 (19/1/84)	413.64 (27/1/83)	498.27 (19/1/84)	50.71 (13/12/74)
2	Building Materials (25)	483.14	+0.7	10.60	4.58	11.75	479.70	480.51	477.83	474.86	422.16	483.14 (24/2/84)	402.34 (1/1/83)	483.14 (24/2/84)	44.27 (11/12/74)
3	Contracting, Construction (32)	751.04	−0.6	12.53	4.79	9.95	755.20	762.42	765.84	756.76	775.24	831.09 (15/3/83)	654.09 (25/10/83)	831.09 (15/3/83)	71.48 (2/12/74)
4	Electricals (15)	1719.61	+1.4	7.13	3.93	17.84	1695.10	1719.19	1706.83	1707.82	1616.50	1909.93 (3/6/83)	1523.07 (27/1/83)	1909.93 (3/6/83)	84.71 (25/6/62)
5	Electronics (24)	1655.86	+1.6	8.68	2.28	14.98	1629.32	1660.48	1690.42	1668.88	0.00	1755.12 (19/1/84)	1609.69 (9/2/84)	1755.12 (19/1/84)	1609.69 (9/2/84)
6	Mechanical Engineering (64)	235.30	+0.6	10.05	4.84	12.33	233.97	237.83	237.15	236.94	206.67	238.11 (16/2/84)	184.50 (18/10/83)	238.11 (16/2/84)	45.43 (6/1/75)
8	Metals and Metal Forming (9)	202.28	+0.9	8.18	5.83	15.94	199.52	202.72	202.90	200.85	163.84	203.28 (17/2/84)	147.60 (4/1/83)	203.28 (17/2/84)	49.65 (6/1/75)
9	Motors (17)	135.41	+0.1	1.39	4.00	—	135.26	136.88	134.87	133.40	86.71	136.88 (22/2/84)	76.73 (24/1/83)	170.59 (15/1/69)	19.91 (6/1/75)
10	Other Industrial Materials (19)	630.89	+1.2	4.98	3.53	27.32	623.59	628.16	622.27	618.82	404.01	635.61 (3/2/84)	362.82 (1/1/83)	635.61 (3/2/84)	277.55 (15/1/81)
21	CONSUMER GROUP (196)	475.54	+0.2	10.42	4.27	11.73	474.48	477.72	477.54	474.69	414.37	494.21 (25/1/84)	395.44 (12/1/83)	494.21 (25/1/84)	61.41 (13/12/74)
22	Brewers and Distillers (23)	460.98	−0.7	13.11	5.23	9.43	464.41	468.17	469.64	465.66	468.16	486.54 (15/2/83)	413.82 (17/10/83)	486.54 (15/2/83)	69.47 (13/12/74)
25	Food Manufacturing (22)	383.95	—	13.17	5.39	8.83	383.83	384.28	385.45	384.10	334.08	399.42 (26/1/84)	318.68 (23/5/83)	399.42 (26/1/84)	59.67 (11/12/74)
26	Food Retailing (12)	1072.26	—	7.75	2.72	16.61	1072.76	1070.24	1073.22	1070.77	829.24	1124.08 (6/1/84)	815.37 (30/3/83)	1124.08 (6/1/84)	54.25 (11/12/74)
27	Health and Household Products (9)	731.88	+2.9	6.44	3.01	18.26	710.92	715.50	721.16	715.23	739.18	879.98 (18/4/83)	663.01 (1/1/83)	879.98 (18/4/83)	175.38 (28/5/80)
29	Leisure (23)	647.49	+0.1	8.81	4.36	14.60	646.56	652.44	646.59	643.79	496.91	661.90 (25/1/84)	451.80 (12/1/83)	661.90 (25/1/84)	54.83 (9/1/75)
32	Newspapers, Publishing (15)	1251.44	+0.2	7.82	4.01	15.27	1249.25	1259.36	1253.15	1252.95	719.27	1259.36 (22/2/84)	619.26 (4/1/83)	1259.36 (22/2/84)	55.08 (6/1/75)
33	Packaging and Paper (15)	242.06	−0.3	10.17	4.13	12.15	242.70	244.41	245.82	243.04	163.81	245.82 (21/2/84)	139.78 (4/1/83)	245.82 (21/2/84)	43.46 (6/1/75)
34	Stores (47)	428.66	+0.5	8.08	3.62	16.80	426.36	430.43	427.18	422.89	358.13	447.68 (16/1/84)	342.40 (24/1/83)	447.68 (16/1/84)	52.63 (6/1/75)
35	Textiles (19)	270.56	−0.2	11.23	4.49	10.31	271.14	273.95	273.86	273.01	196.60	284.78 (1/2/84)	171.44 (1/1/83)	284.78 (1/2/84)	62.56 (11/12/74)
36	Tobaccos (3)	512.98	−2.2	19.65	6.39	5.76	524.68	531.59	530.04	531.65	469.42	579.66 (18/1/84)	395.33 (10/8/83)	579.66 (18/1/84)	94.34 (13/6/62)
39	Other Consumer (8)	459.74	−0.6	11.24	5.77	—	462.52	464.16	464.65	466.52	366.57	485.72 (30/1/84)	334.21 (1/1/83)	485.72 (30/1/84)	229.84 (28/9/81)
41	OTHER GROUPS (83)	433.74	+0.5	9.17	4.36	13.13	431.41	437.36	435.48	433.08	317.88	445.25 (30/1/84)	288.55 (12/1/83)	445.25 (30/1/84)	58.63 (6/1/75)
42	Chemicals (16)	607.28	+1.7	10.91	4.79	10.81	597.32	609.55	609.19	605.26	411.44	646.55 (18/1/84)	379.93 (12/1/83)	646.55 (18/1/84)	71.20 (1/12/74)
44	Office Equipment (5)	137.11	+0.2	7.33	5.41	17.98	136.88	138.72	137.89	137.19	100.83	138.72 (22/2/84)	80.95 (1/1/83)	246.06 (1/9/72)	45.34 (2/1/75)
45	Shipping and Transport (14)	866.55	+0.2	7.32	4.68	18.45	864.61	870.40	869.98	871.03	591.38	885.55 (30/1/84)	520.64 (4/1/83)	885.55 (30/1/84)	90.80 (29/6/62)
46	Miscellaneous (48)	566.61	−0.3	8.25	3.80	14.52	568.47	573.95	569.22	565.64	452.41	577.77 (30/1/84)	409.35 (12/1/83)	577.77 (30/1/84)	60.39 (6/7/75)
49	INDUSTRIAL GROUP (484)	479.66	+0.5	9.66	4.09	12.83	477.14	481.91	482.06	478.87	409.80	491.98 (25/1/84)	391.26 (12/1/83)	491.98 (25/1/84)	59.01 (13/12/74)
51	Oils (16)	1025.21	−0.3	10.88	5.77	11.16	1028.67	1038.28	1044.59	1059.19	696.89	1078.77 (27/1/84)	693.58 (28/2/83)	1078.77 (27/1/84)	87.23 (29/5/62)
59	500 SHARE INDEX	525.38	+0.4	9.86	4.37	12.52	523.38	528.55	529.23	525.85	433.46	540.65 (27/1/84)	419.14 (12/1/83)	540.65 (27/1/84)	63.49 (13/12/74)
61	FINANCIAL GROUP (121)	382.70	+0.3	—	5.11	—	381.73	383.43	383.38	379.74	299.55	395.23 (30/1/84)	267.24 (4/1/83)	395.23 (30/1/84)	55.88 (13/12/74)
62	Banks (6)	411.79	+0.7	20.84	6.22	5.21	409.09	412.48	411.69	404.11	311.31	425.91 (25/1/84)	273.48 (4/1/83)	425.91 (25/1/84)	62.44 (12/12/74)
63	Discount Houses (8)	443.69	−0.4	—	6.35	—	445.26	443.85	443.08	439.55	290.78	445.26 (23/2/84)	270.71 (31/1/83)	445.26 (23/2/84)	81.40 (10/12/74)
65	Insurance (Life) (9)	513.07	−0.6	—	4.39	—	515.97	519.70	517.97	513.33	376.21	557.44 (3/2/84)	332.67 (12/1/83)	557.44 (3/2/84)	44.88 (2/1/75)
66	Insurance (Composite) (9)	249.78	+0.1	—	6.64	—	249.62	250.10	252.44	249.11	199.36	265.31 (16/1/84)	174.73 (4/1/83)	265.31 (16/1/84)	43.96 (13/12/74)
67	Insurance Brokers (6)	624.24	+0.4	10.96	4.61	12.57	621.68	634.36	639.34	638.53	544.15	692.14 (9/1/84)	489.98 (1/1/83)	692.14 (9/1/84)	65.86 (16/12/74)
68	Merchant Banks (12)	249.13	−0.8	—	3.80	—	251.20	250.02	249.04	247.76	164.41	251.21 (30/1/84)	152.21 (1/1/83)	278.57 (1/5/72)	31.21 (7/1/75)
69	Property (53)	544.87	+1.2	5.50	3.65	24.42	538.32	539.41	537.46	536.85	452.97	559.87 (6/1/84)	410.37 (12/1/83)	559.87 (6/1/84)	56.01 (20/4/65)
70	Other Financial (18)	274.83	−0.5	10.11	5.00	11.85	276.35	276.42	276.47	274.77	236.54	283.65 (30/1/84)	183.23 (4/1/83)	303.18 (18/5/72)	33.29 (17/12/74)
71	Investment Trusts (107)	488.50	−0.6	—	3.68	—	491.46	493.19	493.41	493.55	406.12	516.14 (26/1/84)	358.26 (1/1/83)	516.14 (26/1/84)	71.63 (13/12/74)
81	Mining Finance (4)	320.36	—	8.23	4.55	14.92	320.21	322.45	318.92	311.38	256.70	330.44 (22/8/83)	236.76 (1/1/83)	330.44 (22/8/83)	66.31 (30/9/74)
91	Overseas Traders (15)	580.96	−0.3	8.54	6.44	15.20	582.99	583.66	576.88	570.99	443.00	583.66 (22/2/84)	387.81 (4/1/83)	583.66 (22/2/84)	97.37 (6/1/75)
99	ALL-SHARE INDEX (747)	491.30	+0.3	—	4.49	—	489.89	494.02	494.30	490.86	401.27	504.73 (27/1/84)	382.22 (1/1/83)	504.73 (27/1/84)	61.92 (13/12/74)

FIXED INTEREST

	PRICE INDICES	Fri Feb 24	Day's change %	Thur Feb 23	xd adj. today	xd adj. 1984 to date
	British Government					
1	5 years	118.35	−0.41	118.83	—	1.46
2	5-15 years	131.06	−0.30	131.46	0.80	2.37
3	Over 15 years	139.43	−0.34	139.90	—	2.37
4	Irredeemables	151.17	−0.37	153.00	1.28	1.28
5	All Stocks	129.68	−0.35	130.14	0.81	2.05
6	Debentures and Loans	108.14	−0.05	108.20	—	1.26
7	Preference	81.96	−0.08	82.03	—	1.39

	AVERAGE GROSS REDEMPTION YIELDS		Fri Feb 24	Thur Feb 23	Year ago (approx)	1983-84 Highs	1983-84 Lows
	British Government						
1	Low Coupons	5 years	9.89	9.58	8.99	10.18 (11/6/83)	8.69 (5/1/83)
2		15 years	10.22	10.19	10.60	10.91 (24/1/83)	9.62 (22/11/83)
3		25 years	9.87	9.81	10.73	11.18 (31/1/83)	9.47 (13/6/83)
4	Medium Coupons	5 years	10.91	10.84	11.51	12.16 (12/1/83)	10.76 (14/11/83)
5		15 years	10.75	10.69	11.51	12.16 (24/1/83)	10.41 (9/1/84)
6		25 years	10.18	10.12	11.05	11.76 (24/1/83)	9.87 (9/1/84)
7	High Coupons	5 years	11.08	10.99	11.63	12.29 (12/1/83)	10.85 (11/11/83)
8		15 years	10.90	10.85	11.71	12.28 (24/1/83)	10.62 (9/1/84)
9		25 years	10.28	10.22	11.22	11.92 (24/1/83)	9.98 (9/1/84)
10	Irredeemables †		9.78	9.73	10.68	11.07 (2/2/83)	9.49 (13/6/83)
11	Debs & Loans	5 years	11.41	11.08	12.62	12.99 (1/2/83)	11.39 (22/2/84)
12		15 years	11.57	11.57	12.71	12.88 (2/2/83)	11.44 (10/1/84)
13		25 years	11.59	11.59	12.77	12.90 (4/2/83)	11.46 (22/11/83)
14	Preference †		11.96	11.95	12.78	13.24 (26/1/83)	11.93 (22/2/84)

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Other Industrial Materials	31/12/80	287.41	Other Financial	31/12/70	128.06
Other Consumer	31/12/80	238.14	Food Manufacturing	29/12/67	114.13
Health/Household Prods.	30/12/77	261.77	Food Retailing	29/12/67	114.13
Other Groups	31/12/74	63.75	Insurance Brokers	29/12/67	96.67
Overseas Traders	31/12/74	100.00	Mining Finance	29/12/67	100.00
Electronics	30/12/83	1646.65	All Other	10/4/62	100.00
Mechanical Engineering	31/12/71	153.84	British Government	31/12/75	100.00
Office Equipment	16/1/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72

† Flat yield. A list of the constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.

FTSE 100 INDEX

Close	1036.9	(+5.2)
Day's high	1036.9	(17.06)
Day's low	1030.3	(12.55)

(Base value = 1000 January 3 1984)

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Feb 20	Mar 2	May 31	June 11
Mar 5	Mar 16	June 14	June 25
Mar 19	Mar 30	June 28	July 9

For rate indications see end of Share Information Service

Active conditions again prevailed in Options with calls arranged in Polly Peck, Amalgamated Estates, A. G. Stanley, Automotive Products, Ladbroke, Eglinton, Martin Ford, Southern Gold, Wellman, Low and Bonar, Newman Industries, Queens Moat Houses, GRA, Currys, Barratt Developments, Armour Trust, Rockware, AE, Combined Technologies, Tricentrol, North Kalgurli, Monarch, Phoenix Assurance, Balmoral, Burmah Oil, Bula, Harold Ingram, Sterling Guarantee Trust, Australian Consolidated Minerals, Barrie Investment and Finance, Foseco Minsep, Premier Oil, W. E. Norton and Meridan Oil. Puts were transacted in Aran Energy, GRA and Britoil, while doubles struck in Croda, Aran Energy and Atlantic Resources.

RISES AND FALLS

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	—	103	—	142	218	156
Corpns. Dom. and Foreign Bonds	2	21	55	36	56	298
Industrials	237	299	877	1,328	1,360	4,379
Financial and Props.	69	158	298	408	558	1,658
Oils	29	47	45	107	200	298
Plantations	5	4	11	26	24	50
Mines	20	82	69	298	176	381
Others	30	89	71	154	370	419
Totals	392	803	1,426	2,498	2,962	7,638

ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Armour Trust	37½	+ 4	Electro-Protective	156	+ 8
Atlantic Resources	505	+50	ICI	602	+14
Beecham	315	+23	Land Securities	269	+ 7
Britoil	243	− 4	London Brick	167	+ 6
Charter Cons	235	− 3	MEPC	269	+ 7
Cons Gold Fields	605	− 2	Whim Creek	256	−16

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
ICI	47	588	−16	Racal Elects	17	209	− 7
Lonrho	29	156	+ 1	UKO Intnl	17	135	− 3
Acorn Comptr	20	151	+ 5	BTR	16	420	− 6
Amal Estates	20	13	+ 1½	Bath & Portland	16	164	+13
Canning (W.)	18	107	+ 4	Glaxo	16	738	−12
Strong & Fisher	19	136	− 8	Plessey	16	206	−14
Fleet Hldgs	17	177	−11	RTZ	15	660	− 5

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday

Stock	No. of changes	Last close	Change on week	Stock	No. of changes	Last close	Change on week
ICI	101	588	−16	Shell Trans	73	630	+ 2
Lonrho	87	156	+ 1	STC	72	[illegible]	[illegible]
RTZ	74	660	− 5	BTR	72	420	+ 3
Beecham	73	292	+ 8	Glaxo	70	738	+ 4
Britoil	73	247	+15	Burnett Hallms	63	530	+20
Comml Union	73	172	—	Racal Elects	62	209	+ 1
Cons Gold Flds	73	607	+ 2	BET Defd	68	272	+12

RECENT ISSUES

EQUITIES

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+ or −	Net Div.	Times covered	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue price £	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price £	+ or −
[illegible]							

"RIGHTS" OFFERS

Issue price p	Amount paid up	Latest Renunc. date	1983/84 High	1983/84 Low	Stock	Closing price p	+ or −
[illegible]							

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. u Forecast dividend cover based on previous year's earnings. F Dividend and yield based on prospectus or other official estimates for 1984. H Dividend and yield based on prospectus or other official estimates for 1983-84. [illegible] "Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. [illegible] Introduction. [illegible] Allotment letters (or fully-paid). [illegible] Unlisted Securities Market. § Placing price. †† Official London Listing. ‡ No par value.

هكذا من الأصل

Vanbrugh Pension Limited
41-43, Maddox St., Ldn., W1R 9LA 01-499 4923

Managed	249.7	261.8	-0.5	—
Equity	319.3	336.2	-1.2	—
Global Equity	97.7	102.9	.....	—
Fixed Interest	225.3	237.2	-0.5	—
Property	192.9	204.1	.....	—
Index Linked Gilt	104.6	110.2	.....	—
Guaranteed	9.00	—	.....	—
International Money	119.2	125.5	-0.6	—

Windsor Life Assur. Co. Ltd.
Royal Albert Hse., Sheet St., Windsor 68144

Investor Units	158.9	167.3	.....	—
Accum. Pen. Units	276.5	291.1	.....	—
Flex. Inv. Growth	171.5	180.5	.....	—

Continued on adjacent Page Mon-Fri and Stock Exchange dealings Page Sat.

OFFSHORE AND OVERSEAS

Adig Investment
Postfach 708, 8000 Munich 1, Telex 524269

Adirenta	DM22.37	23.04	-0.04	—
Adiverba	DM76.65	79.55	+0.04	—
Fondak	DM37.39	39.76	+0.29	—
Fondis	DM32.74	34.32	-0.07	—

Albany Fund Management Limited
P.O. Box 73, St. Helier, Jersey. 0534 73933

Albany $ Fd. (CI)	$219.23	223.24	-4.70	1.75

Next dealing March 9.

For Allen Harvey & Ross see Cater Allen
Alliance International Dollar Reserves now
Alliance Capital Management International
See adjacent Page Mon-Fri and
Stock Exchange dealings Page Sat.

Andover Futures Ltd. (Adv: Thoarte)
c/o MIL: Bank of Bermuda 809-295 4000

NAV Sept 30		$71.25	.....	—

Arbuthnot Securities (C.I.) Ltd. (a)(c)(h)
P.O. Box 428, St. Helier, Jersey. 0534 76077

Dollar Income Tst (z)	$1.005	1.051	-0.005	11.42
Gov't Secs. Tst.	81.0	84.5	-0.2	11.78
Yen Bond*	159.9	207.9	.....	5.00
Sterling Fd.†	162.3	162.3	.....	0.31
East Intl & Stay*	193.1	206.6	.....	0.60

Next dealing *March 1. †February 29.

B.I.A. Bond Investments AG
10, Baarerstrasse CH6302, Zug, Switzerland

Barer Std Jan 20	SF10,658	11,406	.....	—

BankBank (Overseas) Ltd.
Butterfield House, Grand Cayman

Leutbaer J. Baer $Fd.	1.50	1.151	—	—

...

Global Fund (z)	$29.01	30.46	-0.07	—
Pacific (z)	$37.34	144.21	-0.43	0.2
Special Growth (z)	$14.57	15.30	-0.05	—
World (z)	$28.39	29.80	-0.03	1.3
Gilt Fund (z)	25.3	26.1	.....	10.
American Inc. Tst. (z)	75.3	59.5	-0.7	7.
Intl. Inc. Tst. (z)	70.0	74.3	-0.5	7.
$ Fixed Int. Tst. (z)	53.3	55.7	-0.6	11.
Sterling American (z)	74.0	78.0	.....	—

Continued on adjacent page Mon-Fri and Stock Exchange Dealings page Sat.

Fleming Japan Fund S.A.
37, rue Notre-Dame, Luxembourg

Fleming	$81.50	—	.....	—

Frankfort Trust Investment—GmbH
Wiesenau 1, D-6000 Frankfurt

FT-Interzins	DM40.55	40.77	-0.02	—
Frankf. Effekt. Fd.	DM75.14	79.09	+0.32	—

Free World Fund Ltd.
Butterfield Bldg., Hamilton, Bermuda.

NAV		$185.79	.....	—

G. T. Management (U.K.) Ltd.
Park Hse., 16 Finsbury Circus.
Tel: 01-628 8131. Tlx: 886100.
London Agents for:

Anchor Gilt Edge	29.91	9.96	.....	12.7
Anchor Int. Fd.	58.26	3.27	.....	1.1
Berry Pac Fd.		9.99	.....	0.5
Berry Pac Strlg.	56.48	8.6255	.....	0.5
GT Applied Science Fd.		$15.41	+0.01	—
G.T. Asia Fd.		$4.78	.....	0.9
G.T. Asia Sterling	46.55	46.90	.....	1.0
G.T. Australia Fd.		$36.46	.....	1.2
G.T. Bond Fund		$10.58	-0.01	8.6
G.T. Dollar Fd.		$14.02	.....	1.0
G.T. Dir. (Strlg.) Fd.	21.90	21.32	-0.54	1.1
GT Europe Fund		$10.03	+0.05	—
G.T. Global Tech Fd.		$13.14	.....	—
G T Honshu Pathfinder		$27.63	.....	—
G.T. Invest. Fd.		$18.39	.....	0.5
G.T. Japan Small Cos.		$35.31	.....	—
G.T. Technology Fd.		$27.17	-0.34	—
G.T. Pacific Fd.		$12.62	+0.09	1.9
G.T. Asean HK Growth		$3.53	-0.05	1.1
G.T. S China Fd HK$		HK$10,254.76	-37.7	—

...

Wardley Prv Cap Tst	$9.73	10.32	.....	—

WestAvon Secs (Guernsey) Ltd
PO Box 304, St Peter Port, Guernsey 0481 27963

Gilt & Option Fd.	£1.16	1.23	.....	2.50
US $ Option	$0.79	0.84	.....	—

World Wide Growth Management
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd		$12.51	.....	—

Inv. Adv.: M. & G. Inv. Mngt., Ltd., London.

Wren Commodity Management Ltd.
10, St. George's St., Douglas IoM 0624 25015

Wren Com. Fund	21.9	22.8	.....	—
Chinese Fund	61.9	64.8	.....	—
Precious Metal Fund	133.3	139.7	.....	—
Vanguard Cmdy. Fd.	35.5	36.5	.....	—
Financial Futures Fd.	63.5	66.7	.....	—
Wren Intl. Fnd.*	$0.846	0.879	.....	—

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. § Yield column shows annualized rate of NAV increase.

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1983-84 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
104⅝	100½	Exchequer 14pc 1984	100⅞	−1/16	13.73	9.48
98⅝	92½	Exch. 3pc 1984	98	−⅛	3.05	9.58
102	100	Treasury 12pc 1984	101 xd	−1/16	11.83	9.32
107	104	Treasury 15pc 1985	105	−1/16	14.29	9.54
107	101	Exch. 12pc Cnv. '85	102 xd	−⅛	11.72	9.64
94⅝	88⅝	Treasury 3pc 1985	93¾	−⅞	3.20	8.43
102½	99	Treasury 11½pc 1985	102	−3/16	11.27	9.84
102	95	Treas 8¾pc Cnv '85	99 xd	−1/16	8.81	9.18
103¾	100⅛	Exch. 12¾pc 1985	103	−3/16	11.87	10.13
103	99	Exch. 11¼pc '86	102⅝	−⅛	11.45	10.24
102¼	97¼	Treas 10pc Cnv 1986	100	−⅛	9.97	9.80
90¼	85⅝	Treasury 3pc 1986	88½	−¾	3.39	8.81
101	97	Exch. 10½pc Cv '86	101	−⅛	10.40	9.97
103	100	Treasury 12pc '86	103	−¼	11.65	10.45
98¼	94⅛	Treasury 8½pc '84-86‡‡	97½	−1/16	8.72	9.69
109	105	Exch. 14pc 1986	107⅜	−⅜	13.04	10.70
87⅛	84½	Exch 2½pc 1986	85	−2	2.94	8.76
107¾	103⅝	Exch. 13¾pc 1987	106⅛	−3/16	12.95	10.71
100	95⅞	Treas 10¼pc Cnv '87	99	−3/16	10.32	10.51
86⅛	80¼	Exchequer 2½pc 1987	84	−2¼	2.98	8.67
100	95⅞	Exch. 10½pc 1987	99⅛	−3/16	10.59	10.81
93¾	88⅛	Funding 6½pc '85-87‡‡	91¼	−1⅛	7.12	9.75
98	96	Treas 10pc 1987	98	−¼	10.20	10.70
86	80¼	Treasury 3pc 1987	83	−2	3.61	8.93
104⅝	99⅞	Treas 12pc 1987	103½	−⅛	11.59	10.79
94⅞	89⅞	Treasury 7¾pc '85-88‡‡	93¾	−1½	8.31	9.85
101½	95½	Exch 10½pc '88	99¼	−3/16	10.58	10.71
98⅞	95	Treas 9¾pc Conv '88	97¼	−3/16	10.03	10.53
82	75¾	Transport 3pc '78-88	80½	−1½	3.73	8.46
96¾	90¾	Treas. 9½pc '88	95⅞	−3/16	9.96	10.77
106¼	95¾	Treasury 11½pc 1989	102⅝	−⅛	11.21	10.80

Five to Fifteen Years

1983-84 High	Low	Stock	Price £	+ or −	Yield Int.	Red.
103	94¾	Treas 10½pc 1989	100⅞	−¼	10.64	10.81
98⅞	96⅜	Exch 10pc 1989	98½	−⅛	10.35	10.82
85⅛	76	Treasury 5pc '86-89	84⅛	−⅜	6.06	9.01
114	103	Treasury 13pc 1990‡‡	109¾	−⅜	12.01	11.04
110⅞	100⅞	Exch. 12½pc 1990	105⅝ xd	−¼	11.74	11.11
93¼	86¾	Treasury 8¼pc '87-90‡‡	91½	−½	9.18	10.44
66¼	20	Treas 10pc Cv '90 (£65pd)	65	−1/16	10.37	10.76
108¾	97	Treasury 11¾pc 1991	104½	−⅛	11.41	11.11
84⅛	74⅝	Funding 5¾pc '87-91‡‡	83½	−⅜	7.08	9.43
104	95⅞	Exch. 11pc 1991	103⅝	−⅜	11.02	11.01
114⅝	102	Treasury 12¾pc '92‡‡	109⅝	−⅜	11.79	11.16
100⅝	88¾	Treasury 10pc 1992	96⅛	−½	10.42	10.75
111⅛	98½	Exch. 12¼pc '92	105⅞ xd	−⅜	11.58	11.18
117	106½	Exchequer 13½pc '92	111 xd	−¼	12.07	11.30
114	101¼	Treasury 12½pc '93‡‡	109¼	−¼	11.60	11.14
79⅞	71	Funding 6pc 1993‡‡	75⅝ xd	−⅜	7.90	9.97
120¾	110½	Treasury 13¾pc 1993‡‡	118⅜	−¼	11.98	11.20
126¾	112⅞	Treasury 14½pc '94‡‡	120 xd	−¼	12.07	11.12
118¼	109⅝	Exchequer 13½pc 1994	117⅜	−⅛	12.91	11.25
114⅛	100½	Exch. 12½pc 1994	108¼ xd	−⅛	11.57	11.17

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT. STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH AND AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS, H.P. AND LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY—Continued

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

هكذا عن الأصل

هكذا من الأصل

INDUSTRIALS—Continued

LEISURE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

OIL AND GAS—Continued

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OIL AND GAS

INSURANCE

LEISURE

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Finance

Diamond and Platinum

Central African

MINES—continued

1983-84 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
		Australians					
28½	13½	♥ACM 20c	18	+½	—	—	—
52	28	♥Allstate Expl. NL	38	+6	—	—	—
10½	3¾	♥Asia Oil & Mins.	4¼	−¼	—	—	—
40	9	♥Australis Mng. NL	27	+1	—	—	—
35	11	♥Balmoral Res.	34	−1	—	—	—
60	29	♥Black Hill Mins.	36	......	—	—	—
104	51	♥Bond Corp.	98	−1	Q10c	0.7	6.9
183	116	♥Bougainville 1 Kina	168	......	Q15.5c	♦	6.3
396	204	♥CRA $2	346	......	t03c	—	0.6
145	60	♥Carr Boyd 20c	86	......	—	—	—
44	25	♥Central Kalgoorlie	37	......	—	—	—

Tins

Miscellaneous

1983-84 High	Low	Stock	Price	+ or —	Div. Net	C'vr	Y'ld Gr's
90	34	♥Anglo-Dominion	70	......	—	—	—
93	48	♥Anglo Utd. Dev.	52	+2	—	—	—
400	190	♥Centennial Minerals	292	−8	—	—	—
175	60	♥Colby Res Corp.	140	......	—	—	—
850	315	Cons. Murch. 10c.	805	−5	100c	♦	7.3
£18½	£10⅝	Eastern Trans Cons 50c	£18	−½	Q85c	4.9	2.4
240	170	Hampton Areas 10p	225	−2	3.75	2.1	2.2
215	103	♥Highwood Res.	185	−12	—	—	—
£24½	£17½	Homestake Mining $1	£24¼	+¼	Q20c	—	0.6
495	275	Northgate C$1	335	......	—	—	—
687	437	R.T.Z.	663	+3	17.0	2.3	3.7
£148½	£108	[illegible]	£145	−2½	Q9½%	32.5	6.6
190	13	♥Sabina Inds C$1	98	−5	—	—	—
£11¾	312	♥Tara Expln. $1	950	−50	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Principal and interest tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK Listed; dealings permitted under Rule 163(4)(a).
- ☼ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Dealt in under Rule 163(3).
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♣ Not comparable.
- ♠ Same interim: reduced final and/or reduced earnings indicated.
- ƒ Forecast dividend; cover on earnings updated by latest interim statement.
- ⁑ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ¶¶ *Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock.* a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. D Issue price. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1983-84. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1984. K Figures based on prospectus or other official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1983. N Dividend and yield based on prospectus or other official estimates for 1982-83. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL AND IRISH STOCKS

The following is a selection of regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv. 20p	76	......	Fin. 13% 97/02	£91½xd	......
Craig & Rose £1	900	......	Alliance Gas	72	−13
Finlay Pkg. 5p	48	......	Arnott	217	......
Higsons Brew	95	−3	CPI Hldgs.	84	......
Holt (Jos) 25p	890	......	Carrol Inds.	116	......
I.O.M. Stm. £1	125	......	Hall (R. & H.)	61	......
			Heiton Hldgs	25	......
			Irish Ropes	54	......
IRISH			Jacob (W. & R.)	61	−6
Exch. 12% 1985	£99	......	T.M.G.	70	......
Nat 9¾% 84/89	£86¾	......	Unidare	77	......

For Bridgewater see Property

OPTIONS

3-month Call Rates

Industrials		House of Fraser	21	Vickers	12
Allied Lyons	13	I.C.I.	45	Woolworth Hld.	35
BOC Grp.	20	"Imps"	12		
B.S.R.	18	I.C.L.	6	**Property**	
Babcock	15	Ladbroke	21	Brit. Land	9
Barclays Bank	45	Legal & Gen.	45	Cap. Counties	15
Beecham	28	Lex Service	35	Land Sec.	34
Blue Circle	40	Lloyds Bank	50	MEPC	24
Boots	17	"Lofs"	3	Peachey	17
Bowaters	22	London Brick	10	Samuel Props.	12
Brit. Aerospace	19	Lucas Inds.	16	Sterling Guar.	4
B.A.T.	24	"Mams"	12		
Brown (J.)	3	Mrks. & Spncr	20	**Oils**	
Burton Ord.	38	Midland Bank	42	Bristol Oil & Min.	6
Cadburys	11	N.E.I.	10	Brit. Petroleum	35
Courtaulds	11	Nat. West. Bank	55	Burmah Oil	16
Debenhams	14	P & O Dfd.	22	Charterhall	8
Distillers	20	Plessey	20	Premier	5
Dunlop	5	Racal Elec.	18	Shell	50
Eagle Star	60	R.H.M.	7	Tricentrol	20
F.N.F.C.	6½	Rank Org. Ord.	19	Ultramar	60
Gen. Accident	42	Reed Intnl.	34		
Gen. Electric	17	Sears	8	**Mines**	
Glaxo	75	T.I.	14	Charter Cons.	22
Grand Met.	35	Tesco	15	Cons. Gold	50
G.U.S. 'A'	55	Thorn EMI	55	Lonrho	8
Guardian	45	Trusthouse	16	Rio T. Zinc	58
G.K.N.	16	Turner & Newall	8		
Hawker Sidd	32	Unilever	75		

A selection of Options traded is given on the London Stock Exchange Report page

"Recent Issues" and "Rights" Page 24

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £700 per annum for each security

FINANCIAL TIMES

Saturday February 25 1984

Strike grounds British Airways

BY DAVID BRINDLE, LABOUR STAFF

MOST British Airways flights were grounded yesterday by a snap 24-hour strike of cabin crew which cost the airline about £4m in lost revenue.

Only 14 of the 150 scheduled services got away from Heathrow, where according to BA 60 of the 1,050 cabin staff due to work crossed picket lines manned by colleagues.

There were 49 of the usual 150 inbound flights at Heathrow, including a few services from regional airports. Internal services in Scotland and West Germany were unaffected, and there was only one cancellation among services from Gatwick.

BA said problems might spill over into today because some aircraft would not be in the correct place for scheduled flights, but it expected such difficulties to be "very few."

The cabin crews' action had been expected for nearly two weeks after they rejected a two-year pay deal offered to all BA employees and accepted by the majority. The offer is worth 4 per cent this year and 5 per cent in 1985 and is linked to a profit-sharing scheme.

Union leaders of the 4,500 crew intended to call the strike on Thursday, but suspended the action at 3 am on that day for pay talks which reopened later, only to break down.

The cabin staff say their average basic pay is between £5,000 and £6,000 a year, putting them among the worst rewarded of all the airline's employees and of all airlines' cabin crew. BA says that allowances take the average above £10,000.

The airline said yesterday that there was no question of increasing the percentage pay offer and that an offer of salary restructuring in Thursday's talks would be withdrawn.

It would carry out threats to the cabin crew that in the event of disruption it would withdraw their travel concessions for the duration of the dispute, refuse to backdate any eventual pay settlement to the due date, January 1, and stop pay of those taking part until their next rostered duty.

For some long-haul crews due out yesterday on trips of up to 18 days, followed by up to 10 days' leave, this could mean loss of almost a month's pay.

Union officials, who described the strike as "99.9 per cent successful," said they believed the airline had no authority to do more than stop one day's pay. They threatened a second strike in the next week, so that BA was left with insufficient manpower to maintain services, if it took members off the payroll for longer.

The union leaders said BA had managed to operate flights from Gatwick yesterday only by using pilots to perform cabin crews' work, a claim the airline did not deny.

TI and Electrolux discuss co-operation

BY RAY MAUGHAN AND CARLA RAPOPORT

TI, the engineering group which has substantial domestic appliance interests, has started negotiations with Electrolux about possible co-operation in the appliance field.

Mr Hans Werthen, chairman of Electrolux, which ranks among the world's leading domestic appliance makers, flew from Stockholm to London yesterday to meet Sir Brian Kellett, his opposite number at TI, whose appliance brands include Creda, Glow-worm and Russell Hobbs.

The meeting was arranged at the request of TI which, initially, was more concerned about the Swedish group's intentions regarding a possible takeover.

Electrolux disclosed that it had built up a 3 per cent stake in TI, but said it "had no present intention of adding to that holding or making a takeover bid."

Sir Brian said: "That was the first hard, reliable news I have had since the speculation about a bid for TI started building up two weeks ago." He added: "The Swedish stake still has not appeared on our share register yet although I am not sure when we get to the bottom of the rumoured buying we will find any other significant shareholder."

Electrolux refused to make any further comment yesterday. It is understood, however, that the Swedish group would welcome a link with TI's Creda, as this would give the merged group a complete line of domestic appliances in the UK. Electrolux is a major producer of vacuum cleaners and refrigerators in Britain, while Creda makes cookers, washing-machines and tumble-dryers.

The lack of major product overlap between the two groups means that any link between Creda and Electrolux is not likely to lead to any significant rationalisation of UK production.

Electrolux and TI Creda are among the top six producers of white goods in the £2bn a year UK market, along with Hoover, Hotpoint, Thorn-EMI and Philips. Electrolux said yesterday that it had about 31 per cent of the UK vacuum cleaner market and between 12 and 13 per cent of total sales of refrigerators and freezers.

Industry executives suggested that Electrolux's purchase of TI shares was primarily designed to ward off other predators for the group's domestic appliance business, rather than being the first step in a takeover bid.

With a 2p rise to 248p, the TI share price has gained 44p since rumours of a possible bid first emerged.

Indonesia revives Balfour Beatty deal

BY CHRIS SHERWELL, SOUTH-EAST ASIA CORRESPONDENT

AN Anglo-Swedish consortium including Britain's Balfour Beatty has been told to resume work on a £240m hydro-electric power scheme in Indonesia.

The decision, confirmed yesterday, follows agreement to amend credit terms to Jakarta by agencies financing the deal. These have been extended from 10 to 13 years.

The 180 megawatt project is in central Java. It fell victim last May to a series of Indonesian government cuts caused by the fall in world oil prices and the recession. Indonesia is Asia's largest oil and gas exporter.

After amendments to the orinal financial package have also been agreed. While the Jakarta government still seeks some clarification before site work resumes, the agreement ends months of negotiations. These have involved the British and Swedish governments at the highest levels, the two countries' diplomatic missions in Jakarta, and the contractors and their banks.

Work had started on the scheme when the cuts were announced. Balfour Beatty, part of the BICC group, and Skanska of Sweden had started civil works. Asea of Sweden and Boving of the UK were contracted for electrical work.

The companies and banks began to fight to save the deal, enlisting their governments' support. The British Government initially gave £12m in grants.

President Suharto of Indonesia hinted that the project was back on the rails in his January budget speech. After protracted talks over recent weeks, amendments to the original contract were signed on Thursday.

Barclays Bank International, the sole lender on the British side, is giving Indonesia buyer credits, backed by the Export Credits Guarantee Department, worth £127m.

The value of work being done by Sweden is thought to be less than this and there is some local financing.

Hattersley pledges Labour will not keep Bank chief

BY PETER RIDDELL, POLITICAL EDITOR

Mr Robin Leigh-Pemberton, Governor of the Bank of England since last summer, will not be reappointed by an incoming Labour government, Mr Roy Hattersley, deputy leader of the Labour Party and Shadow Chancellor, said last night.

His comments are virtually unprecedented from a senior Labour spokesman and reflect the extent of the party's dissatisfaction with Mr Leigh-Pemberton's appointment.

In the past, incoming Labour governments have usually accepted, at least in public, governors of the Bank inherited from their predecessors, such as Lord Richardson, even though Lord Cromer was not reappointed in the mid-1960s.

In a speech at a party meeting in Newcastle-upon-Tyne, Mr Hattersley said that Mr Leigh-Pemberton "must accept that, since he was appointed without reference to the Opposition, his term as governor is unlikely to be renewed by a Labour government."

Mr Hattersley's remarks are given added point since Mr Leigh-Pemberton's term as governor will expire in mid-1988, which is just after the last possible date for the next general election.

The Shadow Chancellor argued that Mrs Thatcher had gone out of her way to break the convention which once kept public appointments above politics. The Opposition was not consulted about Mr Leigh-Pemberton's appointment: therefore he was the choice of the Prime Minister, not of Parliament.

Mr Leigh-Pemberton was an active member of the Conservative Party at the time of his nomination as Governor. Mr Hattersley said. "He holds views on the economy which are wholly unacceptable to the Labour Party, and his views on the management of the economy are wholly different from ours."

WORLDWIDE WEATHER

UK today: Cold. Mainly cloudy with a little rain or sleet in E. Anglia and the South East.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	R	8	46	Dallas	F	4	39	Madeira		—	—	Perth	S	33	91
Amsdm.	F	2	36	Dublin	R	5	41	Madrid	F	6	43	Prague		—	—
Athens		—	—	Dbrvnk.	C	12	54	Majorca	F	10	50	Reykjvk.	C	7	45
Bahrain	C	19	66	Ednbgh.	R	4	39	Malaga	S	13	55	Rhodes		—	—
Barclna.	F	10	50	Faro	S	13	55	Malta	S	17	63	Rio J'o		—	—
Beirut		—	—	Florence	C	9	48	M'chstr.	C	4	39	Rome	R	13	55
Belfast	R	5	41	Frankft.	C	2	36	Melbne.	T	25	77	Salzbrg.	F	5	41
Belgrd.	C	5	41	Geneva	C	2	36	Mx. C.		—	—	S F'cisc†	C	11	52
Berlin	Sn	0	32	Gibraltar	S	14	57	Miami†	S	13	55	Singapr.	F	29	84
Biarritz	C	5	41	Glasgow	R	5	41	Milan	R	3	37	Santiago		—	—
Bmghm.	C	3	37	G'rnsey	Sl	4	39	Montrl.†	F	−1	30	Stckhm.	C	−1	30
Blackpl.	C	5	41	Helsinki	S	6	43	Moscow	S	−5	23	Strasbg.	C	2	36
Bombay	S	30	86	H. Kong	C	18	64	Munich	C	1	34	Sydney	R	20	68
Bordx.	C	6	43	Innsbrk.	C	2	36	Nairobi	S	28	82	Tangier	S	11	52
Boulgn.	C	2	36	Inv'ness	C	7	45	Naples	C	14	57	Tel Aviv	S	24	75
Bristol	C	4	39	I.o.Man	R	5	41	Nassau		—	—	Tenerife	C	17	63
Brussels	C	1	34	Istanbul		—	—	Nwcstl.	C	3	37	Tokyo	S	10	50
Budpst.	C	4	39	Jersey	C	4	39	N Delhi	S	15	59	T'ronto†	F	0	32
Cairo	S	23	73	Jo'burg	T	25	77	N York		—	—	Tunis	F	15	59
Cardiff	C	4	39	L. Plms.	F	19	66	Nice	C	8	46	Valencia	F	12	54
Cape T.	S	26	79	Lisbon	S	12	54	Nicosia	S	20	68	Venice		—	—
Chicg.†	C	3	37	Locarno	S	4	39	Oporto	S	11	52	Vienna	F	2	36
Cologne	C	2	36	London	C	4	39	Oslo	C	−3	27	Warsaw	Sn	0	32
Conhgn.	Sn	1	34	L. Ang.†	F	10	50	Paris	C	1	34	Zurich	C	1	34
Corfu		—	—	Luxmbg.	F	1	34	Peking	C	5	41				

C—Cloudy. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES					
Aberfoyle Plants	30	+ 5	London Brick	167	+ 6
Amalgamated Ests	15	+ 2	Piccadilly Theatre	135	+ 16
Armour Trust	37½	+ 4	Pilkington Bros	291	+ 16
Beecham	315	+ 23	Plessey	215	+ 9
British Benzol	16	+ 2½	Sumrie Clothes	152	+ 10
Electro - Protective	156	+ 8	Walker (Jas) N/V	124	+ 8
Fisher (Jas)	126	+ 13	Woolworth	378	+ 13
GRA	65	+ 4½	Aran Energy	67	+ 5
Grampian TV A	83	+ 7	Atlantic Resources	505	+ 50
Hawker Siddeley	400	+ 14	Hidong Estate	143	+ 20
			FALLS		
Helical Bar	47	+ 10	Exch 2½pc 1986	£85	− 2
Hogg Robinson	172	+ 8	Exch 2½pc 1987	£84	− 2$\frac{1}{16}$
Hunting Assoc	195	+ 10	Funding 6pc 1993	£75⅛	− ½
ICI	602	+ 14	Marchwiel	222	− 8
Land Securities	269	+ 7	ERGO	635	− 30

MAN IN THE NEWS

Skilful driving on the Left

BY DAVID HOUSEGO

"NO NEGOTIATIONS until the road blocks are lifted." The classically conservative position adopted by the Communist Minister of Transport at the outbreak of the conflict looked a little foolish by mid-week as the road blocks thickened and the government hurried into talks with the road haulage associations.

But the hollow show of strength at the outset has been the only real mistake of M Charles Fiterman in a dispute that initially caught both him and the French Government badly off balance.

M Fiterman was among those in the cabinet who argued last weekend for a policy of conciliation and playing for time. The brief attempt to bring out the army proved a failure because of the difficulties of shifting giant trucks. In the negotiations on Tuesday he skilfully isolated a minority

M Charles Fiterman

group of 2,000 independent truckers with concessions aimed at easing transiting difficulties in the Alps that enabled one major Alpine route to be cleared.

Faced then with the escalating demands of the two main road haulage associations, the tactics of M Fiterman and M Jacques Delors, the Finance Minister, were to rely on exhaustion and public exasperation with lorry drivers to wear down their spirits. By last night the gamble seemed to be working though tough negotiations still lie ahead.

For M Fiterman the conflict has not been easy. Many of the small haulage operators have a paranoic hatred of the Communists. They also blame him as Minister of Transport for the shift in priorities under the left from road to rail. The state rail network, the SNCF, where the Communist-led CGT union are strong, have done well out of M Fiterman's stewardship.

But even his right wing political adversaries respect him as one of the most capable ministers in the administration. He masters his briefs well, is tactful in negotiation and has not embroiled the Government in the type of controversy that M Jack Ralite, the former Communist Health Minister, had with the doctors.

As the senior Communist Minister in the Government, M Fiterman has taken on himself the task of showing that Communist ministers can be pragmatic managers like anybody else. While the Communist party and the CGT have hurled brickbats at the Government for its austerity measures, M Fiterman has accepted the doctrine of joint ministerial responsibility. "I am against 'the brutal modernisation' of industry," he said recently. "I am for a modernisation that is real, controlled, fair and negotiated." The socialists could not quarrel with that.

Thick-set, jovial, with flashes of wit that can defuse a tense situation, M Fiterman is at 50 one of the most likely successors to M Georges Marchais as head of the French Communist party. His parents were Polish immigrants (his father, a Jew, was deported to Auschwitz) and he left school at 15 to become an apprentice electrician. He joined the Communist party at 18, worked on the tramway at St Etienne and then for the Creusot-Loire group.

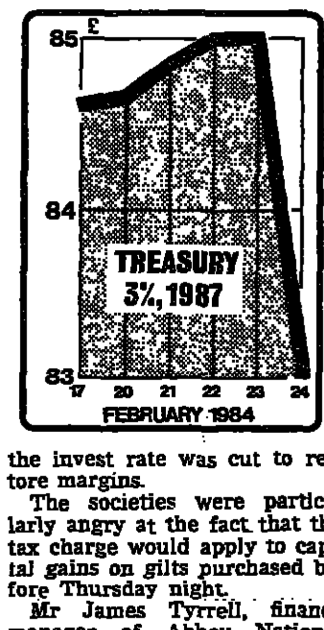
But his rise up the Communist hierarchy was rapid. He was secretary to Marchais when he took over the party in 1972, led the Communists in negotiations over a common front with the Socialists up to the split in 1977, and has favoured close ties with Moscow. He is now closely linked with the faction in the party that believes the Communists should remain in the Government.

Gilt-edged

Continued from Page 1

was "touch and go" as to whether there could be any cut at all in the mortgage rate now.

Mr John Ellis, general manager of Abbey National, which has long advocated a cut in rates, said that it would now be "much harder" to cut rates. The mortgage rate might well be held at the same level, while the invest rate was cut to restore margins.



The societies were particularly angry at the fact that the tax charge would apply to capital gains on gilts purchased before Thursday night.

Mr James Tyrrell, finance manager of Abbey National said the society's whole investment portfolio "had been turned on end."

In his letter to Mr Lawson, Mr Herbert Walden, chairman of the association, said it "did indeed seem bizarre" that the same Government which had "issued low coupon stocks tailored with the building societies, not least their tax regime, specifically in mind now seeks to impose a tax on any resulting gain."

There would be a "deafening" outcry were a similarly retrospective tax to be imposed on National Savings Certificates.

The new tax charge "must be passed on either to borrowers in the form of a higher mortgage rate or to savers in the form of a lower investment rate."

Mr Ellis of Abbey National was among those blaming other societies for the move. There had been "too much emphasis on financial services and not enough on our real function of providing housing finance to the extent that the Inland Revenue has been persuaded to tax us as like a bank rather than the housing finance specialist that we are."

Mr Peter Hemingway, chief general manager of Leeds Permanent, laid the blame on those societies which had been trading heavily in gilts. "Once again the innocent are being penalised for those who took advantage of the tax situation on gilts to make short-term gains."

Mr Anthony Beaumont-Dark, joint chairman of the backbench Tory Finance Committee, speaking on BBC Radio's World at One, said the Inland Revenue should have been taken through the Budget or the Finance Bill and not just because some "little clerk in the Inland Revenue thinks its a good wheeze."

Mr Ian Stewart, Economic Secretary at the Treasury, said that the Treasury had been consulted and had agreed to the Inland Revenue action.

French

Continued from Page 1

jam" had ended came when Citroen, the car manufacturer, said yesterday morning that it was calling back its workers at Rennes. These had been temporarily laid off because road-blocks cut off component supplies.

After an inner Cabinet meeting yesterday afternoon M Delors confirmed that negotiations would resume with the road haulage associations on Thursday, subject to road conditions being "normal" throughout the country.

Despite Sig Craxi's pledge and the apparent end of the work-to-rule by Italian Customs officers there was no sign yesterday of an easing of the lorry blockade of the autobahn to Italy from Austria over the Brenner Pass.

Thousands of lorries have formed a queue stretching back more than 20 km towards Austria's border with West Germany, as drivers demand reform of Italian Customs procedures.

Walter Ellis writes from Amsterdam: Mr Ruud Lubbers, the Dutch Prime Minister, demanded EEC-level talks yesterday on the European transport crisis "within 10 days."

He did not accept the French Government view expressed earlier to Mrs Neelie Smit-Kroes, Dutch Transport Minister, that the difficulties experienced by foreign lorry drivers in France were of internal concern only.

Andrew Fisher writes: Motorists bound for France were given the all-clear by the Automobile Association yesterday as lorry blockades fell from 300 to below 40.

British companies tried to contact stranded drivers on Alpine roads to tell them of the lifting of the blockade.

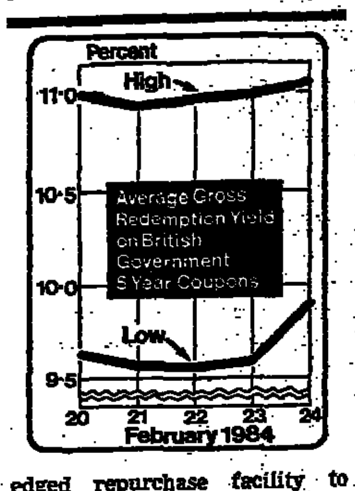
The Freight Transport Association said that France and West Germany had agreed to lift the normal Sunday lorry ban.

THE LEX COLUMN

Taxing time for gilt-edged

After Thursday night's massacre of the High Street innocents the gilt-edged pitches resumed trading yesterday in a mood of anger and bewilderment. Quite apart from the extraordinary timing of the Inland Revenue's announcement—which guaranteed a disorderly market—the implications of its ruling for other tax-spared funds remained unclear. Gilt-edged brokers had been looking forward to some excitement after a decidedly dull patch but the manner in which it arrived could not have been less to their liking.

Index rose 8.9 to 815.8



The Revenue may have accomplished the remarkable feat of putting everyone's noses out of joint simultaneously. The Treasury, while apparently consulted in advance, cannot have been best pleased by the peremptory fashion of the Somerset House action, while the Stock Exchange's central market was cruelly exposed on Thursday by jobbers who had no option but to take orders on a selective basis. The response of the Societies themselves speaks for itself and before long the life assurance sector, in which share prices were marked down across the board yesterday, may be joining the chorus of protest.

The Bank of England has taken up a typically Olympian position above the hullabaloo but stands to lose as much as any interested party from the ruling. Yesterday the societies carried on shuffling out of short-dated low coupon stock into higher coupon securities maturing around the end of the decade. At the very least, the Bank will have to adjust its funding techniques to the new environment. At worst, it may suffer a permanent diminution in the pool of capital moving into the market.

The societies could, for example, start to forsake gilt-edged in favour of the tax-efficient leasing assets so popular with the clearing banks. In that instance, the authorities might find themselves in the uncomfortable position of paying more for their short-dated stock and yet receiving little compensation in the form of higher tax receipts. The Revenue may learn that it has set in motion a chain reaction which can only be arrested by wholesale reform of the tax privileges of savings institutions.

At the moment, however, tax receipts are the last of the authorities' worries. Yesterday, the Bank of England was obliged to introduce a gilt-edged repurchase facility to accommodate the money market shortages created by a seasonal burst of tax payments. Its holdings of bank and local authority bills now total £11¼bn, which must be a record; next week's shortage is expected to be around £2bn and, without a repurchase arrangement, the Bank might have voided the bill market of eligible paper.

The Bank performed a juggling act of this kind at the same point last year, so there was no overt message in yesterday's action. The thrust of policy at present must be to keep short term rates fairly steady in the run-up to Budget Day while keeping a wary eye on the foreign exchanges. The hope until recently may have been to encourage a mortgage rate cut roughly coincident with the Chancellor's statement. But, after this week's developments, the Building Societies may have other ideas.

Allied/Booker

Mixing your drinks is more than ever the key to success in the hard-pressed markets for spirits and liqueurs. The array of brands in Allied-Lyons cabinet looks better balanced after its deal announced yesterday to buy the rum and Tia Maria businesses of Booker McConnell. But a stiff drink or two might yet be called for at Allied if some optimistic assumptions should go awry.

Leading brand names do not come cheaply and a purchase price to Allied of about £41½m is roughly 22 times the approximate net income of the acquired businesses in each of the last two years. Allied is looking at a prospective exit p/e nearer 11½, with some confidence that it can push pre-tax profits up from £3.3m to perhaps £6m. This does not seem unreasonable, provided the group's wines and spirits division can bring all its marketing strengths to bear. It has had no rum brands to date, while the addition of Booker's wine sales should double Allied's share of the UK wine market.

Another possible benefit to Allied is an expanded marketing relationship with Hiram Walker, the U.S. drinks group with minority interests in two of the four businesses in the deal. Hiram could still pre-empt the Tia Maria transaction—as its minority stake allows it to do—but is clearly not expected to do so. Any inclination on its part to buy the 51 per cent majority in Tia Maria might understandably be a little undermined by the memory of selling it to Booker in the first place, for less than £5m just a few years ago.

Booker can feel reasonably pleased to have made such a useful capital gain on businesses which have found the going very heavy during the recession. Volume sales of dark rum have been slipping in the UK while Tia Maria volume sales have been static at about 800,000 cases since 1980. There are straws in the wind to encourage Allied's hope that it can buck both these trends. But the logic of Booker's reorganisation left it no real choice but to add the drink businesses to its list of disinvestments, now finally completed. With a net cash position on its balance sheet, Booker can at last concentrate on the expansion of its core businesses, where acquisitions are already under way.

Crossed wires

The Hong Kong takeover code stipulates that when share purchases bring a stake to more than 35 per cent of the voting equity, a full bid must follow. So it looks as if, strictly following the rules, Cable and Wireless should have launched its offer for Hong Kong Telephone some time last year; Cable's careful buying of shares to top up its holding whenever other holders converted their warrants seems to have been just a little on the enthusiastic side, perhaps encouraged by the fact that — in other contexts — the code takes convertible warrants as equity.

At least the infractions will not have damaged the interests of outside shareholders: since the Telephone price was rising steadily during the months when Cable was buying, the earlier an offer came to be triggered, the less generous it would have been.